

HANLEY FALLS ■ COTTONWOOD ■ TAUNTON

GRANITE FALLS



MINNESOTA FALLS

MONTEVIDEO ■ ECHO ■ MINNEOTA ■ GHENT

FARMERS COOPERATIVE ELEVATOR CO.

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Hanley Falls:
507-768-3448
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South Elevator:**
507-768-3602

**Hanley Falls
Uptown Elevator:**
507-768-3484

**Minnesota
Falls East:**
320-564-3835
320-765-4100

**Minnesota
Falls West:**
320-564-3834
Montevideo:
320-269-6531

Cottonwood:
Mill Office:
507-423-6235
800-423-6230

**Cottonwood
Elevator:**
507-423-6489

Hardware Store:
507-423-6231

Echo:
507-925-4126

Taunton:
507-872-6161

Minneota:
507-872-6134

From the manager... FCE Annual Meeting Fri., March 6

We'd like to extend you a cordial invitation to attend your FCE Annual Meeting on Friday, March 6th. We hope that you are able to eat supper



By
Scott Dubbelde

with us along with your friends and neighbors and are able to attend the meeting also. More details are listed in this newsletter.

All of our Patron/Owners that will have reached the age of 68 by March 31, 2015 are eligible for having all of your Patron Equity balances paid to you. It is very rewarding to see the smiles on your faces when those equity retirement checks are received by you. I am proud to be a part of the FCE Team that pays out almost all of our Equity Retirements to living Patrons. We get very few estate requests anymore and we are proud of this.

Your FCE Leadership Team spends a lot of time planning ahead to position FCE to serve you with respect to your current operation and your future farming needs. This includes both facilities and the Employees needed to run them. I look forward to introducing your current FCE Employee Team to you on the 6th! They will be mostly familiar faces and a few new ones.

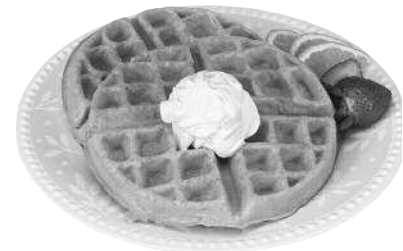
See you on March 6th.

ANNUAL MEETING Friday, March 6

at the
**LAKEVIEW HIGH SCHOOL
IN COTTONWOOD**

BELGIAN WAFFLES

Served from 4 to 7:00 p.m.



ENTERTAINMENT

Lakeview Music 6:30 - 7:00

MEETING BEGINS

at 7:30 p.m.

The traditional, delicious Belgian waffles will be served along with all the trimmings from 4 to 7:00 p.m. ALL YOU CAN EAT. Bring your spouse and children. There will be at least 38 waffle irons and everyone can wait inside. Lakeview High School is located on the north side of Cottonwood, visible from Hwy. 23.

The business meeting begins at 7:30 p.m. We'll review last year's operations at FCE and discuss plans for the current year. We will also be electing three directors to the board. Profiles of the director candidates are inside this newsletter.

When will selling grain start in earnest

When will Mr. Farmer sell grain in earnest? That has been the question asked over and over in the grain trade the last few months. \$4.00 corn seems to be the goal of most farmers. Surprisingly the corn basis is equal to last year's number while bean basis is about 5 cents weaker than a year ago at this time. In the near term, if farmer selling remains slow, basis levels should firm. But when farmer movement picks up basis levels will soften.

Corn carryout is projected to be about

1.8 billion bushels. West coast demand for corn is slow. Most of the corn is being exported out of the Gulf. With a small west coast export program a larger percentage of the carryout will be in the upper mid-western Corn Belt. To encourage someone to carry this grain the market needs to put in enough carry either by basis levels or board carry.

Soybean basis levels may improve somewhat in the near term because of slow farmer movement. But with a 380 million

By
John Brandts
*Grain
Merchandiser*



bushel bean carryout compared to 120 million Bu a year ago basis levels should soften when farmer movement picks up.

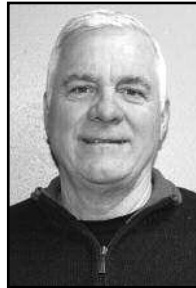
See you at the Annual Meeting.

DIRECTOR CANDIDATE PROFILES

Minneota/Ghent Area

Tim Gossen

Tim and his wife, Betty, live 5 miles northeast of Minneota. They have five adult children: Sharene, 35, Talina, 34, Jerik, 31, Leah, 30 and Chelsey, 28. They also have six grand children. He started farming in 1977 and raises corn and soybeans with his son Jerik who also has a farrow to finish operation. Tim was first elected to the FCE board in 2012. He is a member of the Minnesota Corn Growers Association and served for many years on the Lyon County Farm Service Board of Directors. Tim is the Recorder of the Minneota Knights of Columbus and a member of the of the SW Sportsmen Club in Minneota. He was formerly the Chairman of the Minneota School, Board, Secretary of the SWSC and has served on various church committees. He enjoys hunting, fishing, camping and golf.



Rob Kompelien

Rob has been farming since 1991. He lives nine miles northeast of Minneota where he grows corn and soybeans and has four horses and two dozen chickens. Rob is widowed. His girlfriend Ellie Schuster has two children Wyatt and Michaela. Wyatt helps with farming as time allows. Rob serves as a town board supervisor of Westerheim Township. He is a member of the Minnesota Corn Growers Association and the Minnesota Soybean Growers Association. He enjoys horseback riding, sporting clays and motorcycle riding.



Montevideo Area

Alan Enevoldson

Al has served on the FCE board since 2008. He lives five miles west of Montevideo. Al and his wife, Jodi, have two children: Tasha, 25 and Devin, 21 and a grandson, Trey, who is 5. He raises corn and soybeans with his father, Leroy and son Devin. He sells seed for Golden Harvest and Titan Pro. He is a member of the Minnesota Corn Growers Association and the Minnesota Soybean Growers Association. Besides fishing and hunting, he also enjoys pickup pulls and going to car shows.



Hanley Falls Area

Jim Erickson

Jim Erickson farms between Hanley Falls and Granite Falls with his parents, Wes and Sue Erickson, raising corn and soybeans. He is married to Melissa and is a member of the Minnesota Corn Growers Association and the Minnesota Soybean Growers Association. He is a graduate of Ridgewater College with a degree in farm operations and management. He enjoys spending time with his family and friends and he enjoys being outdoors.



Jon Thostenson

Jon and his wife Terri live south of Hanley Falls. He has been raising corn and soybeans for 28 years and farms with their son, Joe and Jon's brother Mark. He has served on the FCE board for three years. Jon is a member of the American Legion Post 127 in Hanley Falls and a member of the VFW in Granite Falls. He served in the Marine Corps in Operation Desert Storm in 1991. He has been active on his church council. He enjoys photography, hunting, fishing, reading, welding, traveling and spending time in the shop. Jon says that he has found his time on the FCE board to be to be "very challenging and rewarding" and says, "I would like to continue to serve to help FCE meet the challenges and the changes that the coming years will bring."



New farm program and insurance decisions

After our recent round of marketing meetings I had a few producers bring in information and go over the prospective options for the new farm program. Even though the outcomes appear to be as expected, it is a great exercise to go through.

The new farm bill is geared towards rescue and recovery, not sustainability. I don't necessarily mean sustainable for the producer, either. In other words, it is built to kick in higher levels of funding when per acre revenues are below set levels. It very much mimics an insurance program. In the not too distant past, politicians noted that this would be the general direction any new farm program would take. And so it is geared to help producers who suffer per acre revenue losses due to low prices, crop losses, or maybe a combination of both. What it likely doesn't do is pay producers to farm. There can be

a long discussion about whether or not that is what farm policy should do, but I leave that to others. Just tell us the rules and we can figure it out.

Which brings us to crop insurance season. Last year I encouraged producers to buy the maximum protection possible with Revenue Assurance. The difference was quite obvious for those who purchased 85% coverage compared to those who chose not to. I see no reason to change those thoughts for this year. Even though we will not have the same guarantees for revenue due to lower prices, it is very much worth the money to get the most protection you can. Remember that the revenue guarantee works both ways. Last year we had a high spring price. This year if we have a low spring price but have a high fall price, your Revenue Assurance will be higher and like last year could trigger payments.

By
Bill Doyscher
*Assistant
Manager*



In risk management, it is always a question of risk versus reward. When the government gives you the opportunity to minimize your risk with the possibility of maximizing rewards it is a smart business decision to do so. Both the new farm program and crop insurance are great risk/reward scenarios.

See you all at the Annual Meeting on March 6th.

Bill Doyscher
riskmanager@mvtwireless.com

Optimizing Dry Matter Intakes

The most fundamental driver of cattle performance is KNOWING DAILY DRY MATTER INTAKES (DMI)! Rations are formulated on DMI's of cattle. A general rule for calculating DMI for lightweight and growing cattle, is 2.3 to 2.5 % of the animal's actual body weight. On a finishing animal, use 1.8 to 2 %. DMI's are different on differing cattle sizes, breeds, and types. DMI varies greatly from feed yard and management ability. Season and diet ingredients also influence DMI.

Example: If your animal is weighing 1235 lbs., it's expected DMI would be 24.7 lbs., (1235 x 2% = 24.7) If an animal is eating 38 lbs. of feed, and the ration is 65 % dry matter (DM), the animal is eating 24.7 lbs. of DM, (38 lbs. x 65% = 24.7 lbs.) DM.

Forage analysis for home grown forages is important in adjusting diets throughout the year. If analysis are taken on a regular basis, this will help the nutritionist formulate better diets to fit your livestock needs. It is very important to follow the diet your nutritionist has formulated for you. Every time the diet is changed by adding

more of a feedstuff or adding a new feedstuff to the ration, the DM of the ration changes.

Environment can affect DMI's. This can include bunk space, water availability, plenty of space to move around and lay down, adequate bedding, ventilation, light, temperature, and high quality feed. If cattle are comfortable and healthy, intakes will be higher.

Tracking and monitoring your DMI's is a useful tool in predicting performance and troubleshooting problem areas. Tracking can be used to adjust rations and push DMI to a higher level and in some instances DMI may be too high.

Optimizing cattle performance is essential to remain competitive. If cattle are below expected numbers for DMI, then measures should be taken to change nutrition and management regimes to boost DMI. Contact Beth at FCE, to see how you can optimize intakes in your operation.

Lower corn prices and increasing DDGS prices are due to increased Chinese trade for DDGS. This also reduces the cost savings associated with DDGS in swine diets. While high-

By
Gene
Goldenstein
*Feed
Department
Manager*



er levels of DDGS remain profitable, it bears watching. In addition, technologies like Chromium propionate and MicroAid have proven their ability to improve daily gains and feed efficiency. They are much less expensive than alternatives like growth promoting levels of antibiotics or other minerals. In addition, technologies like FCE's HemiZyme provide increased fiber digestion, energy utilization and lower cost/unit of energy than alternatives like many other enzymes or added fat. Please contact us for a review of your rations this spring as the weather moderates and we begin preparing for a new crop season.

Thank you for your business!

Carryouts...could cause a period of lower prices

With world carryout back to levels that haven't been seen in almost 10 years we could be looking at a period of sustained lower prices. USDA's latest report puts the estimated carryout up nearly 600 million bushels (Bu) from last year's of 1.232 billion Bu, leaving us with 1.827 billion bushels Bu. The bigger problem for us is where that corn is sitting. The belief is that a majority of that carryout is stuck right here in the Northern Midwest as the states South of us continue to sell into rallies which makes it hard for the basis to rally.

The same is the case with the beans as we come out of a year with tight stocks and begin to have a carryout closer to that of ten years ago. We raised our projected carryout from 93 million Bu for last year to 385 million Bu for September this year. What's currently in the scope is the South American bean numbers as they make harvest progress just ahead of the yearly average of 10% completed.

With these large carryout's we have carrying opportunities back in the market. Take advantage of any carries in the market to pay for any storage you may have put up in the last few years. After all, that's what it's there for.

With this being said we have also done a good job creating demand to

By
Mark Kauffmann
Grain
Originator



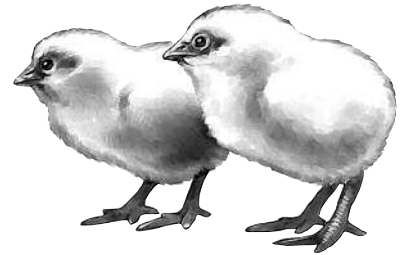
use what we raise. Total use numbers for this year being estimated at 13.645 and 3.701 billion Bu for corn and beans respectively. So as long as these usage numbers at least stay the same, we would need to harvest at least 84.25 million acres of corn and 82.25 million acres of beans at a trend line yield to keep from eating into our carryout numbers. This gives you an idea of what we're looking at going into

spring plantings.

It's not too early to start getting something sold for next year. Your local Farmers Co-op Elevator Company has lots of tools to help you start pricing your new crop, give us a call today.

- On-Farm Trucking
- Contracts
 - Averager
 - HTA
 - Extended Price
 - Minimum Price
 - OTC
- Accumulator
- Daily Price Plus
- Foundation
- Cash Plus

Time To Order Your Chicks



It's time to order your chicks.

We have a large selection.

Regular delivery is every other

week on Mondays, beginning March 16.

Prices vary by breed.

Call Allison at the Feed Mill in Cottonwood
507-423-6235 with pricing questions or orders.