

GRANITE FALLS  MINNESOTA FALLS	HANLEY FALLS ■ COTTONWOOD ■ TAUNTON	FARMERS COOPERATIVE ELEVATOR CO.	Hanley Falls: 507-768-3448 800-626-2510 Hanley Falls 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
	MONTEVIDEO ■ ECHO ■ MINNEOTA ■ GHENT	1972 510th Street Hanley Falls, MN 56245 E-Mail: fce@mvtvwireless.com Website: www.farmerscoopelevator.com	JULY 2014	

**From the manager...
Marketing meetings and
pork chop feeds coming up**

I agree with Jessica's comment about how our FCE Patrons are a hardy bunch. I just wish that 2014 didn't push us to show so much toughness!

The bunker at Minnesota Falls has been picked up for a few weeks now and the only hitch was that we had to dry some corn that was rained on. All in all it went well.



By
Scott Dubbelde

The 2014 building projects are moving along fine and we are confident that all will be ready by Harvest. These additions to our grain handling systems at Minneota, Taunton, and Montevideo should help us serve you even better this Fall.

The weather of 2014 reminds us of what we can and cannot control, hence the Serenity Prayer by Reinhold Niebuhr. It goes as follows:

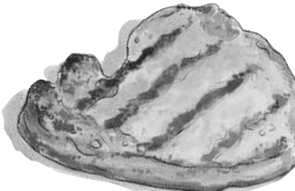
*God grant me the serenity
to accept the things I cannot change;
courage to change the things I can;
and wisdom to know the difference.*

*Living one day at a time;
Enjoying one moment at a time;
Accepting hardships as the pathway to
peace;
Taking, as He did, this sinful world
as it is, not as I would have it;
Trusting that He will make all things right
if I surrender to His Will;
That I may be reasonably happy in this life
and supremely happy with Him
Forever in the next.
Amen.*

Reinhold Niebuhr

This newsletter issue invites you to another series of Marketing Meetings, outlines our Small Grain Harvest Policies, and also invites you to our 2014 Pork Chop

Annual Customer Appreciation Pork Chop Feeds



Monday, Aug. 4
at the Sportsmen's Club in Minneota

Tuesday, Aug. 5
at Cottonwood Community Center

Wednesday, Aug. 6
at the Montevideo Armory

Thursday, Aug. 7
at Granite Falls Memorial Park

4:30
to
7:30 p.m.
each

All
Patrons and
families are
invited to attend
one of these
events.

Customer Appreciation Suppers. We hope that you can attend the Marketing Seminars and of course, the Pork Chop Suppers. The Customer Appreciation Suppers are a time for families, neighbors, and friends to get together to visit and just enjoy each other's company. I always

enjoy the events when I get to visit with you, our Patron Owners. Our entire FCE Team does appreciate your business!

I hope that the weather straightens out and what crops you have left standing do well. If not before, see you the first full week of August.

FCE Marketing Meetings - Mon., July 21

Minneota Community Center - 9:30 AM
Cottonwood Community Center - Noon
Montevideo Community Center - 3:00 PM
Granite Falls Legion upstairs - 6:00 PM

We
hope you can
attend

What's next in the stock reports

Now what? The numbers are in for our USDA quarterly stocks report. Big acres, big production. Looks like Sept 30 will be the next USDA Grain Stocks Report at 11 a.m. More importantly, however, is what we see in the January 2015 final 2014 harvested acres report. Will all the drown outs show up? Is this excess moisture wide spread enough to effect CBOT corn values? Will the harvested acres be the typical 92% of the planted acres? Will all the drown outs simply be offset by a hill top doing better than it should and therefore reflected in a higher national yield? No one knows these answers right now but time will tell.

Kristin and I went to Lead, SD last week for some ATV riding and relaxation with friends. We saw corn all the way to Mobridge, SD that looked pretty good but it was wet all the way to Lead. Even the Badlands of SD don't look so bad today with the lush green grass and plumb cows and calves. The grin on the ranchers faces is all it took to know how things were going for those fellas out there with cattle on pasture. After the drought they saw and the winter they had, it is nice to see them getting a break West River.

But what about our corn and beans here

By
Ben Hedtke
*Grain
Merchandiser*



in SW Minnesota? Some factors that make up the corn and bean price are not always easily seen. The BNSF car values continue their streak of extravagant values and volatile bid/ask spreads. In relative terms there is a 32 cent variance in the car values on any given day. That means freight + fuel + cars + margin + interest + elevation should reflect a corn basis back to Hanley Falls anywhere from -50u/bu to -82u/bu. New crop basis values do not look any different and the Rail-Roads will likely not get caught up or built-up to the capacity they need to be anytime soon. Fortunately, our local truck markets keep our corn values trading at the higher end of the range, for now.... Look for basis appreciation in old crop beans and be quick to seize any bounces on new crop beans.

Please feel free to call with questions!
Have a safe and enjoyable summer

Surprises in the crop reports

As usual the government came out with big surprises in the June 30th supply and demand report. The planting intentions for corn showed 91.6 million acres, about as expected and the same as last year. The surprise in corn was the 3.8 billion bushel stocks number. This is over 1 billion

By
John Brandts
*Grain
Merchandiser*



bushels higher than the stocks number of last year and higher than expected. The unknown factor going forward is how many acres are lost due to the wet weather in the northern Corn Belt. With a majority of the corn crop in good shape this market will probably be on the defensive until the size of the new crop can be determined. The

JOHN- CONTINUED ON PAGE 4

OATS & WHEAT STORAGE POLICIES

DELAYED PRICING: No minimum; 5 cents per bushel per month.

WAREHOUSE RECEIPT: 10-cent document fee; 5 cents per bushel per month.

OATS

MOISTURE DISCOUNT: 2 cents per 1/2 point 13.5 to 14 percent; 1 cent per 1/10th point 14 to 15 percent.

ABOVE 15 PERCENT SUBJECT TO REJECTION.

TEST WEIGHT:

2 cents per pound from 37.9 to 34 pounds.

3 cents per pound from 33.9 to 30 pounds.

4 cents per pound from 29.9 and less.

SPRING WHEAT

MOISTURE DISCOUNT:

1 1/2 % for each 1/2 13.5-14.9, 2% for each 1/2% over 15.

TEST WEIGHT:

3 cents for each pound under 58 pounds down to 56 pounds; 5 cents for each pound under 56 pounds.

DAMAGE DISCOUNT:

3 cents each 1% from .9 - 2.0

4 cents each 1% from 2.1 - 5.0

5 cents each 1% 5.1 - 10.0

Protein scales subject to market at time of delivery. Spring Wheat protein basis 14%. Winter Wheat protein basis 12%.

All discounts subject to market changes.

Hardware Hank's July Specials

We Minnesotans are a tough bunch. It was a heck of a winter and spring hasn't been any easier on us. We have been trying to stay stocked with all of the supplies needed for such a wet season. We so appreciate our customers for relying on us for their clean up needs.

~ 2 pack of 90w bug lights – reg. \$4.19 -\$2.99

~ Energizer Max Batteries, 8 pk of AAs – reg. \$9.29 -..\$6.99

~ 2 piece polyester paint brush set – reg. \$8.99 -...\$5.99

~ 3M masking tape 1.41x60yds – reg. \$9.49 - ..\$7.99

~ 50w-30qt Chevron SAE oil – reg. \$3.99 -\$2.99

~ 12 ton hydraulic jack – reg. \$32.99 -\$24.99

10" waxer polisher – reg. \$29.99 -\$24.99

~ Recip saw 18v cordless kit – reg. \$235\$189.00

~Super Wonder Pry Bar – reg. \$11.99 -\$7.99

~ 75 piece mechanic tool set – reg. \$49.99 -\$39.99

~ 5/8 x 60 Plymouth garden hose – reg. \$16.99 -\$14.99

Hello from the Seed Department!

First of all, we would like to thank everyone for their continued seed business. The crop is starting to look fair minus the drowned out spots.

Check to make sure you have enough nitrogen in your fields to get the maximum yield potential. Either by air side dressing, spinner spreader or 28% carts.

Soybeans MAX-IN Ultra Manganese The Next generation of foliar nutrition.

Contains Mn for Optimum Crop Production

AgriSolutions MAZ-IN Manganese, an effective foliar product, supplies manganese, which is vital for increased plant health and growth. MAX-IN Ultra Manganese plant nutrients can be used in many crops, including soybeans, dry beans, fresh beans, peanuts and other crops. It contains a patented, crop-based adjuvant system for maximum nutrient efficiency. MAX-IN products featuring the Ultra formulation include Sure Tank technology

for enhanced compatibility and glyphosate and other post emergent herbicides as well as soluble fertilizers.

MAX-IN Ultra Manganese plant nutrients mix easily with other crop nutrients and most crop protection products, including glyphosate-based herbicides. When MAX-IN Ultra Manganese plant nutrients are tank mixed with glyphosate, and ammonium sulfate source such as AgriSolutions Class Act NG of Alliance adjuvant should always be used.

Promotes Nutrient Delivery

MAX-IN products include patented CormSorb technology, which greatly increases movement of the micronutrients through the leaf cuticle to internal leaf structures. This makes more of the applied nutrient available for use by the plant.

Plant Health Benefits

Manganese is essential for photosynthesis in all plants, especially important in

By
Steve Fry
Seed Team
Leader



legumes, and increases nitrogen metabolism and carbohydrate utilization. Manganese plays a key role in plant immune systems and resistance or tolerance to plant diseases.

Guaranteed Analysis

Sulfur-2.00% Manganese-5.00%
Most of you have tried ZMB or Manganese this year.

The next Answer Plot session is in August in Marshall. Everyone is invited. It will be very informational for all growers. Croplan, NK, DeKalb, Mycogen products will be displayed.

Time to put a marketing plan together

If you haven't already, it's maybe time to put a marketing plan together. If you do already have a marketing plan it may be time to adjust our plan or reevaluate the situation going into the new crop year. As we already know, these markets are not the same as the markets 1, 5, or even 10 years ago. With agriculture becoming more of a world market, the advent of electronic trading, and more on farm storage than ever before, these markets are more volatile than they use to be. That's why having a good marketing plan and staying proactive is important.

Here are a few things going forward to help with putting a plan together. First, know your cost of production. Finding your cost of production is something you can

help us do to make a plan that is better tailored for you.

Next, stick with the plan that you make and use what you are comfortable/use to. Sticking to the plan is easier said than done but using the DTN offer system that is offered is a great start. This allows you to make an offer right from the website or over the phone and keep track of any offers you have working. Support and resistance levels can be important when considering offer levels with current support levels being at 4.11 and 4.06 and resistance at 4.19 and 4.23 September futures.

Lastly, I leave you with a few technical chart points to consider. One tool I like to use is the Relative Strength Index (RSI) which typically bounces between 25 and 75

By
Mark Kauffmann
Grain
Originator



where a RSI of 25 or less would indicate that the market is really oversold and a RSI of 75 or greater would indicate the market is really overbought, current RSI being 27.6. A simple moving average is another tool I like looking at. By laying a 10, 20, and 50 day moving average on a chart you can see that as the lower day moving averages pass through the higher ones to the up side you start to get a rally higher and vice versa as they pass back through going down.

USDA report rules

When we have quarterly stocks reports and combine them with acreage reports, we get to view the two biggest reports of the year. They happen on June 30th and January 10th of each year, unless that falls on a weekend.

There are a few things to remind ourselves of regarding these reports. A couple of "rules" so to speak.

1) Believe the USDA numbers or don't believe them, but be certain that the market's reaction is genuine. They believe them.

2) Planted acreage is just that, planted acreage. Doesn't matter if it is flooded out, stunted, yellow, or dried up, it was still planted. Harvested acres is where that adjustment will be made, and that is usually later in the year or the January report.

3) Yield is a national average. If crop conditions say we have a 74% Good/Excellent rating, USDA is not going to cut their yield estimate until they have a good reason.

If USDA decides to adjust our July S&D report to reflect the added stocks numbers from the June 30th report, the down trend gets steeper. If not, then we continue to drift lower until weather/demand shows up. Low prices cure low prices, but we probably are not low enough yet.

Honestly, there just isn't any bullish news out there to give us reason to rally. We have adequate supplies of grain in the US and world and barring a real supply side change, there is no reason to believe we will generate big rallies.

In times like these, it is best to tend to

By
Bill Doyscher
Assistant
Manager



the crop, do the best job you can to maximize your yields, and give the market some time to find a solid fundamental value. When that happens (and it always does) we can work on the next piece of the puzzle, marketing it.

Bill Doyscher
riskmanager@mvtwireless.com

Research being planned

Researchers are currently studying bacteria-derived proteins that are being used to de-worm swine. The research began using pigs as a model for people, due to an estimated one billion people worldwide infected with a round worm very similar to nodular round worms in pigs. The new protein Cry5B is nontoxic to vertebrates and mammals, but was extremely effective in eliminating the worms. Additional research is planned.

As soybean use increases and stocks decline, alternative rations using DDGS & crystalline amino acids became ever more critical to maintain performance and minimize costs. When using very low soybean meal rations we need to be sure and formulate enough choline or Betaine back into the ration to optimize these metabolic drivers of water retention and muscle growth.

It is important to also remember that as the summer heats up, ingredients that improve feed intake and gain are essential to help minimize performance and profit losses from heat stress. Chromium and Betaine are 2 ingredients proven to help reduce summer heat stress. Please contact your FCE feed department for help optimizing your ration cost and performance goals.

Cattle production in the U.S. is at its lowest in over 50 years. That being said, dairy production continues to provide a steady

supply of Holstein bull calves to the industry. Holstein bull calves are "by-products" of the dairy industry and not their primary source of income. The bull calves are gathered and transported to calf ranches, where they are reared into feedlot ready calves.

Once in the feedyard, Holsteins are fairly predictable, however many factors affect their performance.

- Calves should have a different high energy starting program designed to acclimate lighter in-weight animals.

- These calves will need more attention in the 1st 30 days, after that the pen should be relatively healthy.

- The calves should have adequate bedding and housing upon arrival.

- Consider "best balanced" Holstein diets rather than "least cost" diets as Holsteins are more susceptible to metabolic issues.

- Holsteins consume 10 to 20% more water than beef cattle. Water needs will be different than beef cattle.

- Holstein cattle are on feed longer than beef cattle, and are likely to have more feet and leg problems. Hairy Heel Wart is spreading throughout the feedlot industry and is highly infected in dairy beef. Consider incorporating a foot bath into your health regime.

By
Gene
Goldenstein
Feed
Department
Manager



- Holstein cattle have more "riding" problems. Seasonal "bulling" activity will be heightened. Buller pens are recommended to relieve "riding" activity.

- Not all packers accept Holstein cattle for slaughter. Try to locate cattle close to more than one packer that will harvest them.

- Holsteins tend to bloat more than beef cattle. Clostridial vaccinations are recommended every 100 days to attempt to reduce bloats.

- 120 head or less to a pen result in better feedlot performance for dairy cattle compared to higher pen counts. This could be attributed to social interaction or behavior of dairy animals.

- Beta-agonists and implants are extremely important to improving efficiencies in dairy beef.

Dairy beef is fast becoming a major part of the beef industry. This will create challenges and opportunities for producers who are switching from traditional beef breeds to feeding dairy cattle.

Thank you for your business.

JOHN - Continued from Page 2

function of the market is to find a level that will stimulate demand.

The Biggest surprise of the report was the planting intentions number for soy-

beans of almost 85 million acres. This is over 8 million acres more than last year. The bean market is torn between tight old crop supplies and ample new crop bushels. The stocks report of 400 million bushels was 35 million less than last year.

The function of the bean market will be to ration old crop supplies until new crop beans are available.

Have a safe and enjoyable summer.

FARMERS COOPERATIVE - PAGE 4

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