

HANLEY FALLS ■ COTTONWOOD ■ TAUNTON

GRANITE FALLS



Farmers
Cooperative
Elevator Co.

MINNESOTA FALLS

MONTEVIDEO ■ ECHO ■ MINNEOTA ■ GHENT

FARMERS COOPERATIVE ELEVATOR CO.

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July 2015

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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

From the manager... Monte location expansion will benefit everyone

At the Marketing Meetings that we held throughout our territory on July 1st, we presented information about the 2015-16 Montevideo location expansion. Our Board President, Mark Vandelanotte, gave an overview from the Board's perspective and I went over operational details, etc.



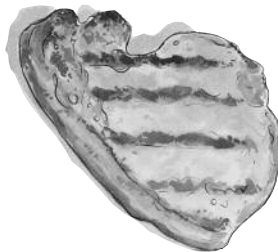
By
Scott Dubbelde

The Monte Project will add two 750,000 bushel steel bins, two 20,000 bushel per hour (bph) dump pits, an 80,000 bph bulkweigher rail car loading system, and enough track to load 110 car shuttle units. We will also be adding inbound and outbound scales East of County Road #16 along with a new office. The new grain handling facility ties in well with our current facilities and also leaves ample room for expansion.

We are especially excited about this venture because it will allow us to load shuttles bound for the Burlington Northern Sante Fe Railroad, the Union Pacific Railroad, and the Canadian Pacific Railroad all out of the same grain loadout spout. FCE does not have access to the UP RR or the CP RR today. When the Monte Project is completed, FCE's ability to arbitrage grain should be greatly enhanced!

We have been studying this Project since 2008 and have done a great deal of due diligence. We hired Land O' Lakes Strategic Asset Management Team to help

Annual Customer Appreciation Pork Chop Feeds



Monday, Aug. 3

at the Sportsmen's Club in Minneota

Tuesday, Aug. 4

at Cottonwood Community Center

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

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

Wednesday, Aug. 5

at the Montevideo Armory

Thursday, Aug. 6

at Granite Falls Memorial Park

us with the feasibility and market studies. And the conclusion is that this project shows a fair return based on conservative numbers. The Monte Project is a win-win for you our Patron/Owners and for FCE.

This project at Montevideo will benefit all FCE Patrons by: FCE having the ability to access new markets that the Union Pacific and Canadian Pacific reach. The UP alone will give FCE access to 191 domestic destinations and 32 Mexican destinations.

Whether you haul your grain to Montevideo or not, you may benefit from a better price through the use of arbitrage, possibly better service, and for sure you will benefit from a stronger FCE. We need to be prepared for increasing yields and need to have the ability to get more grain to the Southwest US feedlots, Mexico, and the PNW and Gulf for exports. Expanding our

Grain stock report yielded surprises

The June 30th planting and grain stocks report again yielded some surprises. The planting intentions were about as expected. The surprise was in the stocks. Corn as of June 1st was approximately 110 million bushels less than the average guess. Beans were 45 million less than expected.

In addition to the June 30th report a number of other factors are influencing the our markets. The Funds were short going into the report and began buying shortly thereafter. Western Europe is having dry-

ness issues and the South and East part of the U.S. corn belt is bogged down with excessive rains. Couple all this with the crop rating decline and the market is trying to predict how many acres will not be planted in the South and East.

Also, this market shows yield concerns in regards to the acres that are planted. Certainly this market will remain volatile until we know what the crop size actually is for 2015/16.

Check your bins. Lots of damaged corn

By
John Brandts
*Grain
Merchandiser*



is showing up lately.

Have a safe and splendid summer!

Hardware Hank's July Specials

Mosquito Beater	\$9.99	Car and Truck Wash	\$6.49
Black or silver		1 Gallon Gas Can	\$7.99
Path Lights	\$1.99	Energizer Batteries	
Deck Wash	\$1.99	“AA” of “AAA” 16 pack.....	\$11.99
Mosquito B Gone	\$9.99	50' Hose	\$17.99
1 Gallon Sprayer	\$7.99	All while supplies last.	

Processing corn has several factors to consider

Corn processing techniques have evolved and been adopted over the past several years, especially where feedlot expansion has occurred in areas where corn is readily available. The kernel is processed to increase starch availability. Releasing the starch improves energy availability and feed efficiency, which in turn benefits increased daily gains, and enhanced carcass values, leading to economic returns. Many of these parameters can't be measured until the animal has been harvested, but measurements that can be tracked during the growth period include metabolic upsets, manure scoring, fecal starch testing, and dry matter intake (DMI).

There are several factors to consider when processing corn for the feedlot. Capacity of the lot can dictate which method is most economically feasible in terms of fixed costs for equipment. Corn pricing basis and other feedstuff availability may influence the method of processing as well as energy costs, labor and storage

By
Gene
Goldenstein
*Feed
Department
Manager*



facilities.

With the expansion of the ethanol industry over the past several years, it may be a good idea to re-examine your grain processing techniques and costs, especially with increasing inputs. Contact Beth at FCE if you have any questions.

Feed ingredients with high concentration of dietary fiber, such as distillers dried grains with solubles (DDGS), are widely available and a price competitive source of energy and nutrients for swine feeding programs.

In spite of being widely available and price competitive, inclusion rates of these ingredients are limited because they con-

tain high concentration of dietary fiber (DF) that decreases the nutritional value of the diet. The nutritional value is reduced because DF increases variability in digestibility of energy and nutrients. Underfeeding digestible energy of nutrients, compared to the actual nutritional value, is costly because the full genetic capacity of the pig is not captured. Similarly, overfeeding digestible energy and nutrients is also costly because pig performance will not increase to capture value of the diet.

Therefore, "nutritional tools" are needed to quantify the energy value of feed ingredients with high concentration of DF and enable nutritionists to accurately capture the true nutritional value of each feed ingredient when formulating swine diets. Contact the FCE feed mill with any questions or concerns.

Enjoy the summer and thank you for your business.

Lingering effects of Dodd-Frank

Our commodity futures world has had major changes in the last decade. In fact, I would argue that these markets began to mutate once the CBOT became a for profit company. Prior to that, as a not for profit corporation, the CBOT was less worried about making money and more geared to providing a safe, effective, and efficient trading system.

Bring on the Mann and MF Global failures, and we see the results of the massive speculation that plays in the same sandbox that you and your cooperative do. With these failures comes more regulation and attempts at oversight in the industry.

One of the proposed rules regards cash contracts for grain and how those contracts

are connected to futures. The Dodd-Frank Act included a provision that any conversation via phone between two parties for a contract of grain should be recorded. Many industry participants weighed in on the regulation, and at this time it is unknown if it will become part of the law.

The grain industry does millions of dollars of business over the phone and in person. In an environment that has been filled with more speculation and potentially more risk, FCE has studied the value of recording calls.

Very soon, FCE will begin recording our phone calls. For your cooperative and you, it makes sense to be certain that the information we are exchanging is accurate and

By
Bill Doyscher
*Assistant
Manager*



complete. On days like June 30th when the market makes limit moves it is really a matter of taking away the risk of errors for everyone involved.

Feel free to call us if you have any questions.

Bill Doyscher
riskmanager@mvtvwireless.com

Predicting prices is near impossible

Uffda! June 30th was a blur and the days following were not much different. Very glad we got a little bounce back from the winter doldrums.

Where do we go from here? Some things for you to ponder: How will the harvested acres number change? Is there an abundance of forage in the South? Will some silage acres be harvested for corn? How will USDA revise estimates? Is the excessive rain fall causing a drop in USDA yield estimates? Will this rally back to breakeven or better prices be an incentive for the unplanted acres to get planted?

By
Ben Hedtke
*Grain
Merchant*



Does \$9.20 new crop beans and \$3.80 new crop corn pay better than Preventive Plant payments?

From a technical perspective there are gaps to fill and its just a matter of when not

if. Also, predicting prices when the price range has widened in some cases \$1 is near impossible. I guess we will trade weather patterns both here and in S.A. for the next 30 days with the occasional bounce on report days. Pray for timely rains and gentle breezes for our local crops. They are far from in the bin!

As always, more questions than answers.

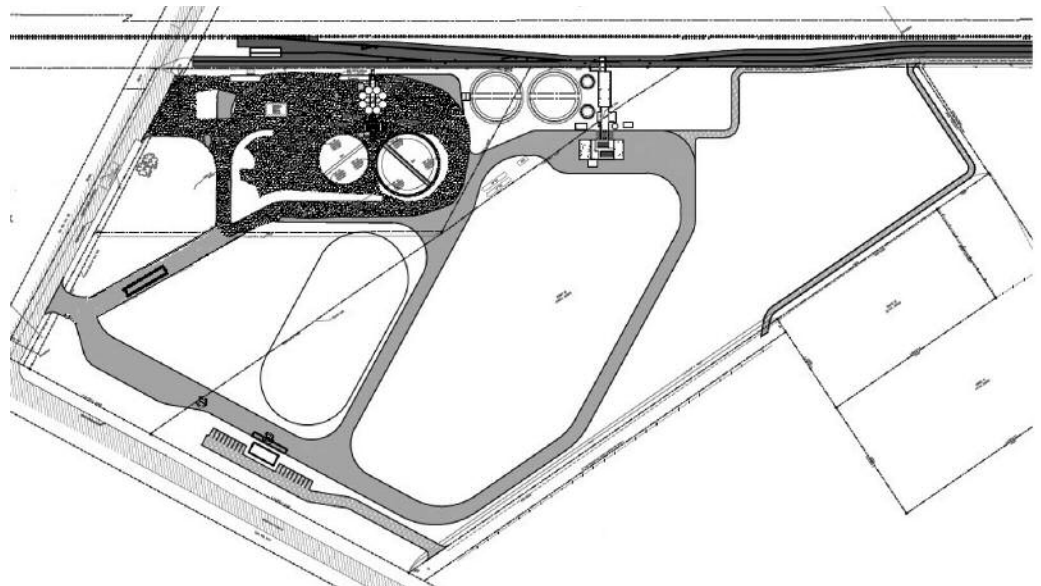
Thanks for all your support and business! Please, let me know if you have interest in On the Farm Pick-up.

SCOTT - CONTINUED from PAGE 1

Montevideo location to load 110 car shuttles fits our FCE Mission Statement very well.

The Monte project cost is \$19 Million and Co Bank is on board with their financing commitments. We are very fortunate that we can expand our current Monte location since a "Green Field" site would add at least \$10 Million to the price tag. Our estimated completion date is September of 2016.

We will bring drawings of the Monte Project to all of our Customer Appreciation Pork Chop Suppers and will be happy to visit with you there. We hope to see you on August 3rd - 6th if not sooner!



KDMA & Chippewa County Fair Invites you to:

LOVE BROADCAST

Thursday, July 30

AgriTalk
The Voice of Rural America
— 10 a.m. —

Linder
Farm Network
— 12:30 p.m. —

National Broadcast

Chippewa Co. Fairgrounds Mini Grandstand

Watch for upcoming plot tours

By
Steve Fry
Seed Team
Leader



We had a very nice spring for putting in the corn and soybeans. You look out at the fields now and the crops seem to be growing immensely. Spraying has been a problem with too much H2O in spots. Croplan has a new answer plot west of Minneota. They cover genetic families, emergence, seed treatments, pest control,

nutrient management, disease tolerance, weed control, disease management and root nitrogen studies. It is open to all farmers if they purchase Croplan or other brands. Croplan will have a farmer seller day on September 2.

There will be a tour from 9:00 - 12:00. Dinner will follow at the Minneota location (along Hwy. #68 west of Minneota). FCE will have their plot tour sometime in September.

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.

FARMERS COOPERATIVE - PAGE 4

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Permit No. 58

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