



FARMERS COOPERATIVE ELEVATOR CO.

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September 2015

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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

Construction going well, 2015 harvest policies



By
Scott Dubbelde

The construction project at Montevideo is going well. CEEC, Inc. of Wabasso has the two bin foundations completed along with the deepest concrete pad that the loadout tower and it's related equipment are supported on. They plan to get a bin roof up yet this year and also plan to get some of the receiving pit concrete work completed. So we are all hoping for good

harvesting weather which is also good construction weather.

Our 2015 Harvest Policies will be the same as 2014 except the corn drying rate will be lowered. Please read through them and call us with any questions that you may have. It appears that we have a good crop

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Farmers Co-op 2015-2016 Grain Policies

SOYBEANS

MOISTURE DISCOUNT: 1 percent for each 1/2 point of moisture over 13 percent up to 15 percent; 2 percent for each 1/2 point of moisture over 15 percent and up.

TEST WEIGHT: 1 cent per each 1 pound under 54 pounds.

DAMAGE Discount	HEAT Per Bu.	TOTAL Per Bu.
.3 to .5%	2 cents	
.6 to 1.0%	4 cents	
1.1 to 1.5%	6 cents	
1.6 to 2.0%	8 cents	
2.1 to 2.5%	10 cents	3 cents
2.6 to 3.0%	12 cents	4 cents
3.1 to 3.5%	14 cents	5 cents
3.6 to 4.0%	16 cents	6 cents
4.1 to 4.5%	18 cents	7 cents
4.6 to 5.0%	20 cents	8 cents
5.1 to 5.5%	22 cents	9 cents
5.6 to 6.0%	24 cents	11 cents
6.1 to 6.5%	26 cents	13 cents
6.6 to 7.0%	28 cents	15 cents
7.1 to 7.5%	30 cents	17 cents
7.6 to 8.0%	32 cents	19 cents

FM: All FM over 1 percent will be considered shrink.

MUSTY: 10 cents per bushel discount.

SOUR: 10 cents per bushel discount.

MUSTY/SOUR: 20 cents per bushel discount.

CORN

MOISTURE DISCOUNT: Shrink is 1.5 percent per point of moisture over 13 percent for storage, 14 percent for Price Later Contracts and Grain Bank and 15 percent for selling.

DRYING CHARGES: Drying charges are 2.25 cents per half point from 13

percent for storage, 14 percent for Price Later and Grain Bank and 15 percent for selling.

TEST WEIGHT:

- * 53.9 to 52 pounds: 2 cents per pound.
- * 51.9 to 50 pounds: 3 cents per pound.
- * 49.9 pounds & below: 4 cents per pound.

REGULAR DAMAGE:

- * 2 cents per 1 percent damage over 5 percent.

HEAT DAMAGE:

- * 1 cent each 1/10th point.

FOREIGN MATERIAL:

- * 3.1 to 4 percent: 3 cents per percent.
- * 4.1 to 5 percent: 4 cents per percent.
- * 5.1 percent & more: 4 cents per percent.

MUSTY: 10 cents per bushel discount.

SOUR: 10 cents per bushel discount.

MUSTY/SOUR: 20 cents per bushel discount.

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

SPRING WHEAT

MOISTURE DISCOUNT:

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

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.

THESE POLICIES SUBJECT TO CHANGE AS MARKET CONDITIONS DICTATE.

ALL DISCOUNTS OR LIMITS SUBJECT TO REVISION.

It's been a great year for growing corn!

Silage should be well under way by now. As always, FCE has a "burndown" at the mill. In the past couple of years, we have extended it to a month long event to accommodate the different varieties of corn and moisture levels. This year we started a couple of weeks earlier to give people a chance to plan ahead to get the correct moisture for their silage. The percentage to shoot for, is 65% moisture (35% DM), which makes it easier to pack, creates better fermentation, and optimizes feed quality. We had several producers take advantage of our "burndown", with moistures running between 66% to 68% the last two

By
Gene
Goldenstein
Feed
Department
Manager



weeks. Testing earlier helped them to make better management decisions about starting silage as it will dry down about a percentage point a day, depending on the weather and rainfall.

Using a good inoculant and covering

your pile certainly adds value to your silage, to keep it fresh and free of mold and yeast production. Contact Ron or Beth about inoculant and tarps.

FCE has an excellent Employee team at the feed mill lead by Ron Hodges. With that in mind, I have decided to retire from full time employment with FCE effective September 25th. I will still be around when needed as feed department manager, but this will give me more time with family and other things I enjoy doing. Thanks to all of you for your support over the years.

Hardware Hank's September Specials

- | | |
|---|---|
| ~ 9 volt battery –
reg \$5.49.....on sale for \$1.99 | ~ Mini Heater –
reg \$27.99on sale for \$17.99 |
| ~ Weed & Feed –
reg \$16.99on sale for \$9.99 | ~ 10 gallon Shop Vac –
reg \$94.99on sale for \$64.99 |
| ~ Welding Rods –
reg \$12.99on sale for \$8.99 | ~ Power Strip –
reg \$8.99on sale for \$4.99 |
| ~ Gallon of Bar & Chain Oil –
reg \$11.99on sale for \$5.99 | ~ Toilet Fill Valve –
reg \$12.99on sale for \$6.99 |
| ~ Great Stuff Gap and Crack Filler
– reg \$5.49on sale for \$3.99 | ~ 4pk 40w light bulb –
reg \$2.49on sale for \$1.49 |
| ~ AC Cover –
reg \$7.99on sale for \$4.99 | ~ 5pk of assorted paintbrushes –
reg \$9.99on sale for \$3.99 |
| ~ Grinder –
reg \$59.99on sale for \$44.99 | |

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out there to be harvested and FCE will do our very best to serve you in the next couple of months. Our Employee Team will do their best to maximize each of their facilities. Please be safe and deliberate in your actions this Fall because safety is what really matters.

I'd like to inform you of a new hire at FCE. Grant Velde of Hanley Falls will be joining us as our new Grain Originator.

Our former Originator, Mark Kauffmann, left us to work for FC Stone in Plymouth to live closer to his family and his girlfriend. Grant will be working at the Cottonwood Elevator this Fall and sometime post-Harvest will move to the Hanley Falls Office. Welcome aboard Grant!



*Have
a
safe
and
successful
harvest!*

The US Dollar, for what it's worth

And quite frankly, it's worth too much. The US Dollar that is.

In our little trading space of the world, specifically the commodity markets, we are struggling to compete. Many say that we are overpriced in the world export market, and they are correct. But for the most part, these same analysts are missing the point. They believe the futures market needs to price itself lower to make us competitive. Unfortunately, they miss the big picture.

World economies still use the US Dollar as the benchmark. All commodities are eventually traded into currencies. All currencies are relative to each other, and are also readily traded. The correlation between the two is unmistakable and inseparable. I challenge the thought that cheaper futures prices will make us more competitive.

US commodity prices are traded on the CME, CBOT, and NYME. They are traded in US Dollars. (and quarters and dimes and nickels and pennies) All other currencies in

the world trade based on the "one US Dollar=(x)" amount of their respective currency. When the US Dollar gains value, other currencies have room to "expand", and our commodities in US Dollars become more expensive in the other currencies.

Now, it is quite likely that prices are not at their lows, and we will still have to work on strategies to market our crop out of the field. What is unlikely, is that by having sub \$3.00 corn futures and near \$8.00 soybean futures is going to make us competitive in the world market. When we get cheaper in dollars, everyone else gets cheaper too. The best way to compete is become the least cost producer. Right now we buy inputs with a high dollar, and then try to sell cheaper than anyone else. Until that cycle changes, we will continue to have major challenges to farm incomes. In the world, it's not what it's worth in dollars to us as sellers, it's what it's worth to them in their

By
Bill Doyscher
*Assistant
Manager*



own currency as buyers.

Bill Doyscher
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*** *This information is taken from sources which we believe are reliable, but is not guaranteed. This info is sent to you for information purposes only. There is a risk of loss when trading commodity futures & options, and is not suitable for everyone* ***

Marketing year 2015 is behind us

The 2014/2015 crop marketing year is essentially behind us. The markets seem to have settled into a trading pattern resembling that of a dreary soggy day good for sleeping. USDA remains bullish yields on beans yet perplexed on corn yield until they change their mind. Appears, there is old crop corn and beans flowing from the farm gate pressuring basis and making folks feel good about the premium for old crop versus new crop yet there is an 8 and a 3 in front of either value, so big deal.

Looking ahead from today the focus for your coop is space. How it is valued, managed, accessed, and traded? Next your coop is focusing on freight. How it is timed and placed as well as weighing carries against their tradable value at any given

By
Ben Hedtke
*Grain
Merchant*



time. PNW values are ho-humm at best so putting on sales better be for grain that is owned right. Today we have most of our facilities in a good position for an Oct 5th corn harvest. However, FCE received new crop beans Sept 8th. So, will the corn harvest be early? Will the initial harvest go home for drying given low prices and cheap LP? Anyone's guess. If I were to step back and look at the big picture this might be the

year to jump to the other side of the boat as it appears everyone is flocking to the opposite. My prescription, get your bins empty of old crop, bring your early harvest bushels to town, be patient, capture carries with what you can store at home, be swift in executing future sales, stick to a plan, and be safe.

Please call if you have questions. It has been a near perfect growing season for our trade territory, now let's just get it in a bin or at least on wheels, safely.

Some report dates to keep in mind: Sept 30th USDA Grain Stocks, Oct 11th and Nov 10th USDA Supply & Demand and Production. Thanks for your business!

NOTICE - Check forms for correct information

With the new CNS (Central Notification System) in place for a few months now, we continue to have problems with lien holders. We are finding if your lending institution does not fill out the necessary forms correctly for the state, the Social Security numbers and the unique identification number set-up by the state do not mesh.

The State of MN and the Lending Institutions are attempting to put the

burden on us, the grain elevators, to be able to sort thru more than 300 pages each month to make sure we have all lien holders included on the checks to our patrons. As our patron, we are asking you to make sure the bank you are doing business with fills out the forms properly and social security numbers are correct. If you have any questions on this matter please call our office anytime,

Safety Data Sheets (SDS) are now

available on our website for both grain and feed. We are required by the Occupational Safety and Health Administration to make sure our patrons are aware of the hazards when handling grain and feed, especially the dust emitted in the air.

Connie Melberg
Controller

Harvest is here, order seed early for 2016

It's been a good year with plenty of rain and good heat. By the time this goes out our plot tour will be over. The crop looks good where we had plenty of moisture. We are just starting to cut silage. 2015 has been like a roller-coaster to dry to wet too many bugs. Bean leaves are starting to drop. It appears it will be around 2-3 weeks to harvest starting. Corn is maturing fast so we want to be ready for those early varieties that don't have as good of a root system.

Some New Products

Exp 15093c	536955
390955	427655
Exp 15096vtzp	4822vtzp
3611 ss	

Beans

R2C1625	R2C2075
R2C1750 Blend	R2C2425

Will also have Mustang products, LG has a good line up of conventional corn.

By
Steve Fry
Seed Team
Leader



If you have any questions call Steve Fry at 507-768-3602.

Order early to get the best seed selection. Thank you for your seed business.

2015-2016 FCE GRAIN SETTLEMENT POLICY

Our Grain delivery settlement date is illustrated on the following chart:

GRAIN DELIVERED	STORAGE STARTS AT 5 P.M. ON:
Sept. 1-13	Sept. 18
Sept. 14-20	Sept. 25
Sept. 21-27	Oct. 2
Sept. 28-Oct. 4	Oct. 9
Oct. 5-11	Oct. 16
Oct. 12-18	Oct. 23
Oct. 19-25	Oct. 30
Oct. 26-Nov. 1	Nov. 6
Nov. 2-8	Nov. 13
Nov. 9-15	Nov. 20
Nov. 16-22	Nov. 27
Nov. 23-30	Dec. 4

Corn:

Storage to 13%
Delayed Price, Grain
Bank to 14%
Cash, Contract to 15%

Corn Drying:

2.25 cents each 1/2 point
Shrink 1.5% each point

Soybeans:

1% Shrink each 1/2 point
moisture above 13% up
to 15%
2% Shrink each 1/2 point
above 15% and up

Corn

Delayed Price 14%; has a service charge at the rate of 4¢ per bushel per month with no minimum.

Warehouse Receipt 13%; has a storage charge at the rate of 4¢ per bushel per month with no minimum.

Soybeans, Wheat & Oats

Delayed Price; has a service charge at the rate of 5¢ per bushel per month with no minimum.

Warehouse Receipt; Soybeans, wheat and oats has a storage charge at the rate of 5¢ per bushel per month and a 10¢ per bushel "Document Fee".

All fees are calculated by the day from the date of deposit if not sold by the Delivery Settlement Date.

Starting again on Dec. 1, 2015 and continuing until August 31, 2016, all open assembling sheets will be stopped at the end of each month. Delayed Pricing contracts and/or Warehouse Receipts will be issued the 15th of the following month for all grain still not sold prior to that day. Please sign and return the contract when it arrives.

If you have any questions, contact any FCE office.

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