

HANLEY FALLS • COTTONWOOD • ECHO

GRANITE FALLS



MINNESOTA FALLS

MONTEVIDEO • TAUNTON • MINNEOTA

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September 2016

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From the manager... Great turnouts at customer events



By
Scott Dubbelde

Since our July newsletter issue a lot has went on at FCE. We had record attendance at our Customer Appreciation Pork Chop Suppers. It was great to visit with all of you and also to see you visiting with your neighbors as well. On August 25th we had an Open House at Montevideo and got a chance to give tours to well over 600 Patron/Owners and Valued Business Partners. It was a "Top Ten Weather Day" according to WCCO TV and everyone in attendance got a tour of the new facilities. A great big Thank You to the Heritage Hill Antique Power Assn. of Montevideo for

providing the people movers for the tours. Chip Grube, Bob Schultz, and Kyle Ashling did an awesome job of escorting the tours with their snazzy tractors. And thanks to our FCE Employee and Director Team for serving you pork chops in July and for taking good care of you at the Open House. I'm anxious to see how the Monte additions add to our overall FCE efficiency and service.

Our FCE Employee Team and our facilities are ready to serve you this Harvest.

SCOTT - CONTINUED ON PAGE 4

Farmers Co-op 2016-2017 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.

INFESTED: 10 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.

Harvest time and when to marketing the crop is here

Here we are in September already, and harvest is just around the corner.

Consideration should be made for any of last year's crop left in the bins. The carry in the market for soybeans is very low. With only seven cents in the market as of today (Sept. 9, 2016) to carry beans to March, the market is encouraging a sale in the nearby month. As usual, the immediate pre-harvest futures market is not posting exciting numbers, partly due to the high expectations of a very large crop. Corn is still expected to average 170+ per bushel nationwide. However, the crop still needs to be stored and marketed. A minimum price contract is method of consideration for marketing corn. This would involve selling grain for cash and purchasing a call. The purchase of a call in a farther out month would allow you to take advantage of the potential upside in the market while limiting risk to the value of the premium paid on the call.

Freight costs for the harvest months are very high going out to the export market and are almost 40 cents per bushel higher than they would be in January and

By
Jason
Blankenheim
Grain
Merchant



February. Railroads do have shuttle programs up and running for grain harvest, but they won't be able to add more trains in the schedule until more toward the end of October. Expectations of a high need for rail freight will likely be reflected around the countryside in basis levels.

However, the outlook for grain has some potential this year. Soybean exports for 2015/2016 are at this time estimated at 1.948 billion bushels vs 1.880 billion bushels. In August, the US exported 160 million bushels of soybeans, which was up from the 97 million bushels in July. In August of 2016, the US exported only 36 million bushels of beans.

Although crop estimates continue to suggest that there will be higher bean

yields this year, the increased and steady demand could very possibly create a situation of lower carryout and tighter supplies as we will continue to see demand from domestic processors as well. Some of these prices may be seen down the road when the beans start leaving as exports.

What this spells out is opportunity to sell cash in the fall and purchase a call such as in a minimum price contract and make use of the extra time needed to market at a more favorable price. Much of the same situation can be seen in the corn market where export sales have regularly been at the top of weekly expectations. The US Gulf continues to be some of the world's most affordable corn. This is a good situation for moving exports, but suggests that there will be a need for commercial buying at a later time.

Situations such as this can make use of a minimum pricing contract also. Enjoy this cooler weather, and have a fun harvest. Please call with any questions about marketing, and remember that we do have the ability to pick grain up off the farm.

Now is the time to see the rewards

With the corn denting and the bean leaves turning, we are all getting ready for one of the best times of the year, Harvest! It's when you, the producer, gets to see the rewards for the hard work you have put in since the first clump of dirt was turned this Spring. Speaking of harvest, there are Over The Counter (OTC) contracts that give the producer an opportunity to capture

By
Grant Velde
Grain
Originator



a premium for your corn and beans. The

OTC contracts are meant to be a tool for your marketing tool box. There is a Floor and a Double Up feature, so in my opinion a 5-20% of production range is a good start.

"Only a Farmer knows the difference between 5 MPH and 5.5 MPH"

I wish you a safe and bountiful harvest!

2016-2017 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. 1-11	Sept. 16
Sept. 12-18	Sept. 23
Sept. 19-25	Sept. 30
Sept. 26-Oct. 2	Oct. 7
Oct. 3-9	Oct. 14
Oct. 10-16	Oct. 21
Oct. 17-23	Oct. 28
Oct. 24-30	Nov. 4
Oct. 31-Nov. 6	Nov. 11
Nov. 7-13	Nov. 18
Nov. 14-20	Nov. 25
Nov. 21-30	Dec. 9

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, 2016 and continuing until August 31, 2017, 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.

Marketing...when is the best time, now or later

It is the time of year that has everyone ready to do something, but there isn't really anything to do. You may be thinking that I am talking about production agriculture. In a way I am, but the truth is it's about marketing your crop. This time of year has most realizing that the crop is as good as it can be. Assessments show that we will have bushels to market, and the urge to sell those bushels that haven't been priced should be taken care of. If your circumstances force you to sell, so be it, we can work on that. But if you have the ability to allow the market to digest harvest and start looking beyond into next year, you are better off in the long run.

If you can objectively look at your expected yields and sell today with profits, you really should do that. Only if you can be certain your sales and yields = profits make this a good time to sell. Otherwise, the timing of sales just before harvest is suspect

at best. Call us and we can give you ideas on Minimum Price and Extended Price Contracts for fall delivered grain. Both contracts get you cash flow and a reasonable risk/reward scenario.

The new project at Montevideo is almost complete. This new addition and expansion marks FCE's move into another level of technology. The RFID system to identify vehicles and customers is a first in our company. PLC automation within the new plant is a new level of technology for loading and unloading grain safely. These new advancements are a necessity in today's business environment. They allow FCE to keep costs of operation in check for greater efficiency. It helps maximize our usage of the facility and the employees who operate it. In turn, FCE can maintain a competitive edge and return that value to our patrons for their gain.

As we push to the completion of the

By
Bill Doyscher
Assistant
Manager



project, I would like to say Thank You to all involved. We look forward to growth in the future with much enthusiasm.

Bill Doyscher
riskmanager@mvtvwireless.com

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There have been many changes in the past 40 some years

This will be the last newsletter article I will write as I am retiring on Oct 1, 2016.

There have been many changes in the grain business since 1973 when I started as a management trainee at Watonwan Farm Service in St. James, Minnesota. That was the era before freight deregulation, of loading 2000 bushel box cars, of mostly single station cooperatives, and a much less volatile grain market.

Today freight has been deregulated, grain is shipped in 110 car shuttles, most cooperatives are multi location cooperatives and the grain markets are extremely

By
John Brandts
Grain
Merchandiser



volatile.

In addition on the U.S. farmer has also made huge strides in adapting to the new technology of today. To serve the farmer of today, FCE has invested millions of dollars in shuttle loading facilities in Hanley Falls

and Montevideo in addition to grain storage bins at several locations. FCE patrons should be proud of the investments made to better serve the needs of today.

Much has changed in the last 40-some years. I am glad to have been a small part of it. I would like to thank the original directors of the Farmers Co-op Elevator in Echo, the present directors, employees, and management at FCE and all the patrons of FCE these past 38 some years. It has been a great ride and a lot of fun.

THANK YOU.

A few tips on harvesting high moisture corn

Silage season is wrapping up and High-Moisture Corn (HMC) harvest is just around the corner. Here's a few tips to keep in mind when harvesting HMC.

- Proper moisture is essential when harvesting HMC. Optimum moisture should be around 28% to 30%.
- Make sure you have the proper grind for the use of your corn. Feed yards should have at least 1 to 2 cracks in each kernel. Dairies will want a finer grind.
- Make sure your HMC is packed tightly, properly preserved and covered. There are many different kinds of inoculants on the market. Use one that suits your needs and make sure you cover your pile.

HMC contains higher levels of starch, which promotes aerobic deterioration. It

By
Ron Hodges
Feed
Department
Manager



offers some unique preservation challenges as it ferments slowly and less extensively than silage. These tips will help to hasten fermentation, use up available oxygen, and inhibit yeast growth. Contact either Ron or Beth if you need assistance with inoculants or tarps.

FCE would like to remind you that the new Veterinary Feed Directive (VFD) rule

goes into effect just around the corner on 1-1-2017. This will mean that if you are using (CTC, Tylan, Neo terra, Stafac and Lincomycin) to list a few, you will need a VFD on file with us before you will be able to order feed containing these antibiotics. We would like to get your VFD's into us in early December so that come January 1st we are ready for your operation's needs.

Ron or Beth would be happy to visit with you about VFD's or any questions. The Feed Department would like to thank everyone for their business. Our contact information is: the FCE Feed Mill at 1-800-423-6230 * Beth at 507-479-0072 * Ron at 507-829-0308.

Harvest will be here soon

It's been a great year for moisture. the crops look great. The corn and soybeans are beginning to show some disease. We have new seed guides available if you would like one. Thank you to the great crowd that attended the seed plot day. Most of you know that Tom Redding has retired. We wish him the best! Noah Engels is our new representative. He resides in Marshall.

By
Steve Fry
*Seed Team
Leader*



A little bit about the corn disease

A new bacteria is making its way into cornfields across the Corn Belt. Bacteria leaf streak is so new to the United States, researchers at Kansas State University don't know if it will impact this fall's yields. The disease was confirmed by the U.S. Department of Agriculture-Animal and Plant Health Inspection Service on Aug. 26, 2016. At this time, APHIS plans on treating it the same way as other corn diseases, like Goss's bacteria blight. Researchers believe the disease came from South African corn, however it's been linked to gumming disease of sugarcane. Because of the newness of bacterial leaf streak, researchers don't know how it came to the United States. According to a survey conducted by APHIS, bacterial leaf streak has been found in nine states - Colorado, Illinois, Iowa, Kansas, Minnesota, Nebraska, Oklahoma, South Dakota and Texas. Tan to brown streaks from less than an inch to several inches long appear on infected corn leaves. "To the untrained eye the disease can look very similar to the common fungal foliar disease, gray leaf spot," said Doug Jardine, plant pathologist at Kansas State University. "One diagnostic key is that bac-

terial leaf streak has narrow, wavy-edged lesions compared to gray leaf spot, which has very sharp, straight-edged lesions that follow the veins of the leaf. Sometimes the lesions occur to the midrib; in other cases, they occur across the leaf blade." Another way to determine if corn is infected is in backlight the leaves. The light that passes through bacterial leaf streak is translucent. So far, symptoms have been observed as early as growth stage V7 in corn. Lesions show up on lower leaves first, and spread to the upper leaves. Sometimes lesions extend the entire length of the leaf. While it isn't known how the disease spreads, some believe it's from movement in the field or wind from thunderstorms. At this time, options to manage the disease are limited. Because it is a bacterial disease, fungicides aren't effective in treatment. "We do not know how long the bacteria can reside in old crop debris, but observationally, it can survive through rotational year to soybeans." said Jardine.

New corn numbers

3705SS 97 day
3614vt2p

New soybeans numbers

Extend soybeans

RX1245	RX1716	RX1336
RX1836	RX1466	RX2146
RX1636	RX2376	

Liberty Link

Blend LC1200	BLEND LC2250
LC1665	LC2096 LC1864

We have Mustang corn and soybeans available. We also have LG for the organic farmers.

Order early to get the best seed size. Thanks you for your business. Also have a safe harvest.

SCOTT - Continued from Page 1

Their jobs are to maximize their location to serve you to the best of their ability. We take great pride in this and hope that the weather straightens out so we can all get busy real soon.

Please familiarize yourself with our 2016 Harvest Policies that are printed in this issue. And please note the settlement dates also. If you remember nothing else, remember this...all grain is put to documents after 5 PM on Fridays. So if you are wondering when your grain will be moved from open assembly sheets, call us every Friday to check on your bushels. We have several marketing alternatives that our Grain Team can help you with. It really depends on your goals and cash flow plan. We pray that you have a safe and bountiful Harvest Season.