

HANLEY FALLS · COTTONWOOD · ECHO

GRANITE FALLS



Farmers
Cooperative
Elevator Co.

MINNESOTA FALLS

MONTEVIDEO · TAUNTON · MINNEOTA

FARMERS COOPERATIVE ELEVATOR CO.

1972 510th Street
Hanley Falls, MN 56245
E-Mail: fce@mvtvwireless.com
Website: www.farmerscoopelevator.com

September 2017

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

Echo:
507-925-4126

Taunton:
507-872-6161

Minnesota:
507-872-6134

From the manager... Harvest and Health Insurance Excitement

I would imagine that you, our Patron/Owners, are busy getting ready for Harvest. Our FCE Team is doing



By
Scott Dubbelde

the same. We will be coming into this Harvest with more grain on hand than last year, but this has been the case in the past and we'll all be just fine. Our Harvest Plan is to serve you to the best of our ability once again. Our

Employee Team will maximize FCE's 17 scales, 20 dump pits, dumping capacity of 260,000 bushels per hour, and 22 million bushels of licensed grain storage. I also hope that we utilize some turf for ground piles. We will be ready.

We are extremely happy to announce to you that we will once again be able to offer you, our Patron/Owner Members, a health insurance alternative in 2018. This program will have some differences from the past program, but will be similar with its goal, "to offer you health insurance options that could possibly save you money and offer you better coverages". Just plain be more affordable and leverage the system to get you a better buy. Thanks to Land O Lakes for developing this and for being a willing partner to the Local Cooperative System. FCE is "all in" on your behalf. We will hold some informational meetings after

Harvest and we will provide more details then.

If you have any questions about our Harvest Policies or Grain Settlement Schedule, please give us a call. Remember that we will be settling grain on Fridays at 5 PM so just call us every Friday if you have any questions on settlement quantities. The only change from last year is that our corn drying rate will be increasing ¼ cent per ½ point of moisture removed. LP is up and that is the reason for this change. We believe that we have our LP supply logistics lined up and we don't plan to run short of LP at all this Fall. FCE also has 180,000 gallons of LP storage.

Please be safe this Harvest Season. We all want to end each day in equal to better shape than we started it.

Climate Change and Beef Production

This might be a good time to talk climate change with the severe weather happening in Florida and Texas. Climate change has been a popular subject in the current press. A lot of it has been linked to human activities; one being methane gas from cattle production. Commonly, we hear, "Let's have a meatless Monday!" to cut down on methane gas production.

Here are the facts. In the U.S., during the late 1700's, there was an estimated 65 million buffalo, 35 million antelope, 10 million elk, 5 million woodland caribou, 4 million moose, and 20 million deer. That is 139 million ruminants! These animals were eating grass and forages which produced twice as much methane than the higher starch diets we feed cattle today. The cur-

rent total of cattle and dairy animals in production today is at 90 million head.

Do we have climate change? Sure we do, but it has been happening since the beginning of time. So, the idea of taking cattle out of production to reduce methane gas does not make a whole lot of sense. This is just another agenda for vegetarians and animal welfare folks to get rid of beef! Most of their claims are not based on sci-

By
Ron Hodges
Feed
Department
Manager



ence, but scare tactics and their own agendas.

American beef producers raise some of the cheapest, cleanest, and most efficient food in the world and we should be proud of that fact!

With the changing of the seasons upon us and harvest around the corner, FCE would like to remind everyone to please call your orders in the day before you need the feed or earlier in the week to receive the early order discount. This helps us be more efficient in scheduling and delivering feed out to our patrons. The feed mill would like to thank everyone for their business. FCE Feed Mill at 1-800-423-6230 * Beth at 507-479-0072 * Ron at 507-829-0308.

Farmers Co-op 2017-2018 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 2.5

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.

2017-2018 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. 1-10	Sept. 15
Sept. 11-17	Sept. 22
Sept. 18-24	Sept. 29
Sept. 25-Oct. 1	Oct. 6
Oct. 2-8	Oct. 13
Oct. 9-15	Oct. 20
Oct. 16-22	Oct. 27
Oct. 23-29	Nov. 3
Oct. 30-Nov. 5	Nov. 10
Nov. 6-12	Nov. 17
Nov. 13-19	Nov. 24
Nov. 20-30	Dec. 8

Corn:

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

Corn Drying:

2.5 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, 2017 and continuing until August 31, 2018, 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.

**THESE POLICIES SUBJECT TO CHANGE AS MARKET CONDITIONS DICTATE.
ALL DISCOUNTS OR LIMITS SUBJECT TO REVISION.**

Marketing cycle, our supply continues to be too much

We are in the third (maybe fourth) year of a marketing cycle that has not offered much in the way of selling profitable prices. Our supply and demand condition continues to be one of too much supply. That is not to say that our demand is lacking, quite the opposite is true. Globally, demand continues at a steady 4-5% coarse grain and soybean increase. Supply over that last 3-4 years on that same global scale has grown by 7+ percent.

Producers are price takers by nature. It makes sense to try to participate in the marketplace, while being very aware of the costs of doing so. At our marketing meetings our presenter made a very important point about such costs. The cost of storage and drying and shrink for fall delivered grain in times of over supply can be very prohibitive. Corn costs including interest from October to July would be over \$.45.

Soybean costs including interest would likely be over \$.60.

A great way to focus on the use of options and futures is to look at that cost versus the cost of doing nothing. Choosing not to decide is still making a choice. Options (Minimum Price Contracts) and futures (Extended Price Contracts) offer cost effective ways to minimize risks. They are not designed to be a profit center. If that were the case, every producer would and should own them all the time. That is not feasible. However, moving your risk to the market instead of your bin or storage, especially when it can be done at less cost than doing nothing makes marketing sense.

FCE has offered these contracts for a long time. We will continue to offer them and want our producers to know that they have choices to manage the cost of mar-

By
Bill Doyscher
Assistant
Manager



keting grain.
Have a safe harvest!

Bill Doyscher
riskmanager@mvtvwireless.com

*** 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 ***

Order early to get preferred seed

It looks like harvest is going to come later than normal. We've experienced many weather issues this year. Wet ground with poor emergence, and wind and hail that caused a lot of issues. There were fields that had 80 percent hail damage. Wind, hail, flooding, and Goss' Wilt all will affect seed production in our community. The rounds and flats will be sold out quickly.

Corn

3240A	92 day
3337v12p	93 day
3499vt3	94 day
3614vt2	97 day
3705ss	97 day
3899vt2p	98 day
4020vt2p	100 day
4079ss	100 day
4199ss	101 day
4488ss	104 day
5146ss	101 day

Soybean numbers

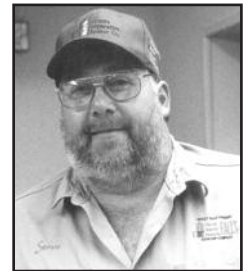
Roundup 2				
1572	1760	1950	2200	
Liberty				
L1200	L1417	L1665	L1864	
L2250	L2096			
Extend				
Rx0950	Rx1187	Rx1450	Rx1477	
Rx1617	Rx1700	Rx1827	Rx1960	
Rx2127	Rx2147	Rx2150	Rx2350	

Soybeans can be treated in the spring with Warden RTA and Warden CX.

Wheat we will be supplying - 3419

We will have nontreated LG seed corn available. Mustang seed will also be available.

By
Steve Fry
Seed Team
Leader



Please stop in and pick up a new seed guide. Please order early to ensure the seed you prefer.

Have a safe and bountiful harvest.



Check Out Our
Website at
www.farmerscoopelevator.com

A lot of moving parts

So what is with the markets? The answer is: there is simply too much grain in the US and globally. The US exports have been good but worldwide crop production which includes the South American record crops, the Black Sea region, among other Countries, has outpaced the increased demand. Will there be a possibility of a weather premium in the markets? The chatter with the speculators is: on the Soybean side, pod sizes will be uncovered here over the next few weeks (as some believe due to Aug dryness pod counts are there but sizes are not), where harvest could be drug out a little due to cooler Midwest temps. On the Corn side, will

there be enough heat units to finish out the crop before a hard frost. In USDA September 12th WASDE report they reported yield estimates above the August report with Corn up to 169.9 and Soybeans up to 49.9. Before the report analysts said the markets were looking for a drop in Corn to 167.9 (169.5 in Aug. USDA) and a drop in Soybeans to 48.7 (49.4 in Aug. USDA).

In Brazil - farmers are going to start planting September 10th – 15th. CONAB (the government crop supply agency) has reported in the 17/18 growing year, Soybean plantings are likely to increase from last year with first crop Corn declining due to low prices. Currently on the average

By
Grant Velde
*Grain
Originator*



the Brazilian farmer is looking at a Loss of \$1.20 per bushel for Corn, with a Profit of \$.95 per bushel for Beans. On 16/17 Soybeans the Brazilian farmer is 80% sold vs 88% average. There are a lot of moving pieces, stay tuned.

Plowing – “Like the artist painting, a farmer paints the landscape with a plow, creating ribbons of black and brown”

Have a safe Harvest, Grant

Listen to what the market says

Commodity markets continue to be stubborn. Fortunately, when things bottom out there is only one way or two to go. They will either bounce higher or continue sideways. Thus making time the universal constraint. The world Farmer needs time for prices to stay low enough long enough to create added demand and find a bounce in prices. How much time is needed? There is no doubt in anyone’s mind that the 2016 crop is still lingering like a rough Friday night on Saturday morning even in lieu of what looks to be at best an average 2017 crop. So, how does one weave the thread through the logistical chaos not too far down the road? Seems like financial suicide to sell anything at current levels.

Fortunately, there are very inexpensive ways to gain time, manage risk, and stay in the market, just ask. Today, the market is

screaming loud and clear to carry your crops! Lots of farm bins continue to pop up for good reason, the carry. However, ladies and gentlemen, remember you are not capturing a carry without pricing the carry. Neglecting to do so makes those grain bins a very significant liability. There are lots of farm marketing programs that are available to help with marketing grain in a bin on your farm. All of which are available through your local coop at a cost of pennies rather than dollars, just ask. In the past 4 years, the inverse years, prior to the last 3 the number 1 marketing lesson learned was, do not sell forward. Well folks the market has changed as it does every second of the day. Change with it. Time is ticking.

Looking forward the 2017 harvest for FCE will be business as usual. Your coop like most of you will be carrying crop into 2018. Space will become a constraint. In

By
Ben Hedtke
*Grain
Merchandiser*



the next 30-45 days things could change but expect to see corn and bean piles similar to last year at your coop. With that will come a long tail in November I’d guess as harvest winds down from a swift but late start on Mid-Oct for corn. This years harvest seems to be setting up into a dig your feet in, grit your teeth and put your back into it kind of harvest. Which is just fine, we here at FCE do not fear work. Our goal, like every year is to provide market access and space for your crops everyday and most importantly to do so safely. Please do the same. From all of us at FCE we are excited to diligently serve you again this harvest like all the rest.