

GRAINLAND Cooperative
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Save the Date!

This year, with construction coming to a close, we will be hosting a customer appreciation dinner and open house at our Emden facility. We will host the dinner on Thursday June 23, 2016 from 4:00pm-7:00pm. Along with a good meal of pork chop sandwiches and sides, we will be giving tours of the updated facility, and answering any questions you may have. This will be the only customer appreciation dinner GRAINLAND will be hosting this year. We urge our customers from all regions to come and see the newly renovated facility and partake in good fellowship. The Emden facility is located at Route 136 and 600th Avenue in Emden. You may enter the facility off of 600th Avenue before the railroad tracks. Hope to see you there!

Megan Rademaker



The GRAINLAND Scoop

PROUDLY SERVING PRODUCERS SINCE 1903

Challenges
An Article from your President

Challenges: a calling into account or into question, a test. It seems as I get older there are more and more challenges! It's April 3rd and it is the second day the wind has blown 20 – 40 mph. With the wind I feel like I can run like my grandkids, and against the wind even my bald head doesn't help my aerodynamics. Yet challenges put us to the test and make us think about what we really are, and what is needed to improve and succeed.

In farming weather causes many challenges, and what my Dad, Uncle, and Grandpa used to call judgement call, where you make decisions with the information you have at the moment. Like, do I spray or plant now when it's cold or wait till next week. At harvest, do I make ruts or wait.

In life sometimes these challenges make weather look like a piece of cake. Here, challenges whether conceived by sovereignty or by freewill, causes us to examine our hearts if something is worth the consequences, or a priceless gift from God.

Values and prices is another ballgame of challenges. The other day I saw a bumper sticker that said, In memory of \$6 corn and \$15 beans. In the elevator business there is always this comparing of elevator prices and the question asked is why we aren't paying what those other guys are paying. Comparing and challenges can be a lot alike. They in a way can cause us to look inward to see if and how we can improve, but also comparing can lead us to comparing ourselves to others, blame, and fall into the tendency of complaining.

In the book of Hebrews there is a line that says “run the race set before you with perseverance.” When I think about the word “set” it reminds me that what is set before is chosen for me or dreamed about for me. Every elevator is set in a different place, different freight charges, different crop productions, etc... Just like life, you have to look at the total big picture. Last year at Emden the expansion project fought challenge after challenge, but now it is a big part of a big picture, to maybe dump grain without waiting, priceless!

Maybe when our minds start to drift into thoughts about the playing field isn't level or fair, we should be reminded of love, when the pastures look greener on the other side, look at grace, and when we start to compare, look at acceptance, and do the best I can with what I have.

Maybe true success is choosing to graciously run the race set before us. Our races are made up of different fields, members of family, and relationships, but it becomes obvious how important it is to cheer each other on. How we decide to do this, and a little prayer determines and defines who we truly are, and becoming. Challenges in a way are a privilege, because it reminds us who is the creation, and who the Creator is, and His glory will be priceless forever!

Isn't it priceless how farmers still wave to each other!

Tom Alberts



Paying it Forward
From your General Manager

I am often asked if we are going to pay any patronage with all the money we have been spending on capital projects. That is always a good question as patronage is based on our earnings for the year. I can never tell you exactly what that will be until our year closes on June 30th. I can tell you that this year should be no different than our prior history of paying patronage.

We continue our long term vision of providing you with fast and efficient facilities to handle your grain at harvest time. The Emden project is nearing completion and should be ready for the full test this fall. We are in the process of building a new 135 foot diameter tank at El Paso with a capacity of 1.2 million bushels. We have been very fortunate to be able to do most of our capital improvements from working capital, but have had to borrow some long term money.

Providing our customers with the best services and facilities is our goal. We continually look at facility upgrades, marketing programs, grain prices, rates, and communication along with

other opportunities to make our operations run smoothly for your needs. I believe that our employees genuinely have your best interest in mind when it comes to service and pride in your company. We value you as members of GRAINLAND Cooperative and sincerely appreciate your business.

To receive the best value for your crops you have to compare facilities, storage and DP rates, drying rates, and shrink factors with our competition. Keep in mind, receiving the highest price does not always guarantee you are getting the most benefit from your grain elevator.

You are the one that has to determine the value that your ownership in GRAINLAND Cooperative brings to you. Remember that being a member of this cooperative, a portion of the profits are returned to you in patronage each year. Do you take pride in your ownership and in doing business with GRAINLAND Cooperative? Can the same be said of our competition?

Jeff Brooks

Marketing Message

Where do we go from here? Is there any hope for higher prices? These are the two most popular questions I hear in today's marketing environment. We don't know for sure where the markets are heading next, but we do know they can change on a dime, when we least expect it.

Let's take a look at the most recent USDA report. The prospective plantings and grain stocks report was released on March 31st and it shocked the trade. Corn acres were the big surprise with a staggering 5.6 million acre increase, up 6% from last year, which was much higher than the average trade guess. Bean acres were down a half million acres or less than 1% from last year, but in line with trade guesses. Corn stocks were 7.81 billion bushels and bean stocks were 1.53 billion bushels, both up 1% and 15% respectively from last year's March 1 stocks report. Both commodity stock numbers were right in line with trade guesses and at very comfortable levels. So, not only is the U.S. sitting on a very comfortable quantity of supplies, the world as a whole continues to build stocks at a pace that demand is having a difficult time keeping up with. What this means is a large carryover of old crop, in both the U.S. and the world. What are some unknown factors that could affect the market?

The trade has now shifted its focus from the March report to the big wild card we face every year, which is weather. A wet/cool spring or a hot/dry summer will add in risk premium or take away risk premium if the weather is conducive. It seems like every year we almost kill the crop at least once and get some kind of rally. How much of a rally and for how long it will last is anybody's guess. World weather is something we will need to keep an eye on. We must remember that we trade a global market rather than just what we see growing out of our back windows. Crude oil prices have been down in the \$25 to \$40 a barrel range since last December. The dollar has been trading 93 to 101 since January 2015. If crude oil breaks out

to the topside, or the value of the dollar to the bottom side of their ranges, we could see a bullish impact from that. The Chinese government has changed their corn policy and will quit stockpiling corn reserves. They are currently selling their corn out of reserves into the open market. Farmers in China will now sell corn much like we do, rather than to the government itself. What this means is, it will reduce the amount of grain they will need to import at least in the short term. The South American bean crop is the biggest one on record and is currently 75% harvested as of April 1st. This also will weigh on grain prices.

What does the farmer position at GRAINLAND look like versus a year ago? The farmer owns 30% of their old crop beans versus 28% last year. On corn, the farmer owns 47% of their old corn crop versus 44% last year. New crop bean sales are the same now as they were a year ago at 3.5%. New crop corn sales are at 1% now, versus 2% a year ago. As you can see there is not much difference in the farmer position compared to a year ago. So, this tells us the same story we had last year, that the farmer has the majority of the ownership in the market.

As of this writing, corn has been in a 16 month trading range from \$3.50 to \$4.00. Beans have been caught in a trading range since last September from \$8.50 to \$9.20. It will be interesting to see if, or when, we break out of these ranges. Will we have a weather event to drive prices out of the top side or will we grow a big crop and see the prices fall out of the bottom side? With the bean to corn price ratio at 2.5:1, will we see a significant amount of corn acres planted in beans? Each crop year has its own share of surprises and unknowns, which create ups and downs in the market. It is good to know what your break even costs are, and be prepared to reward rallies when they present themselves.

Jeff Kaeb



Employee Spotlight

Hello, my name is Caycee McGinnis. I have worked for GRAINLAND the last two harvests as a seasonal employee. I was hired full time in January to work at the Eureka facility. I will be working in operations and am looking forward to learning more about the business and putting my skills to use. To tell you a little about myself, I have two sons. Connor is five years old and my 11 month old is Ariston. Their mother's name is Elaina. We all live in the small town of Armington. I have resided in the Minier and Armington areas for most of my life. When I am not working, I enjoy watching movies and playing games with the boys. When the weather is nice, some of my favorite things to do are playing outside or taking the boys fishing. I enjoy football season and I do a fantasy league with my family. When I need time to myself, I like to repair/tinker with motorized bikes. I am excited to start this new chapter and I am looking forward to a long career at GRAINLAND.

Caycee McGinnis



The GRAINLAND Scoop

El Paso Expansion Continues



Setting rebar and preparing to pour bin footing



Pump truck pouring the footing of the bin

As our age grows, so do the number of bushels our elevators see from one year to the next. In both the farming and elevator business this is a good problem to have! It has however, caused some backups from time to time at a few of our locations. One of our areas we have seen a steady increase of bushels is the El Paso location. While the increase of bushels coming across the scale is something to celebrate, we were seeing congestion at our Eureka facility. We were steadily sending transfer trucks from El Paso which caused a line at Eureka. In order to solve this issue and create less congestion, we are expanding our El Paso branch by building another bin!

The ground has been broken and construction on the new bin has started moving forward. The new bin will be located on the very southeast corner of the property, with room to build two additional bins to the west if need be in the future. This bin will be the largest bin companywide to date. It measures 135' in diameter and has a capacity of 1.2 million bushels. To empty this bin we purchased our very first Bin

Gator paddle sweep. This is one of the highest tech, zero entry bin sweeps on the market. While construction takes place, we will also be making some other upgrades around the facility. There will be larger top belt conveyors installed as well as adding another hopper tank over the west pit.

As I have stated before, without the patrons that continue to do business with us, there would be no need to expand and grow for the future. We would like to thank you for your business and wish you the best as you move forward into the planting season!

Andrew Craig



Filling the base of the bin with fill rock.



Forms up and ready to pour the walls



Preparing to pour air tunnels

Emden Project Update

After 13 plus months, our construction project at Emden that started last February is finally getting close to completion. The equipment portion of the project is basically finished as of the first week of April. The electrical portion of the project has a little ways to go.

Overall the project has moved along at a pretty good pace, but that does not mean there were not some issues. The first major issue we had was getting 30 plus inches of rainfall in 30 days, starting June 7th. That is not what you need when you have big holes in the ground and concrete to pour. The rain ended up putting the whole project about a month behind schedule.

We started harvest using the old dump pits on the south side of the facility with about 1 million bushels of corn space available. We had to truck some corn out early in harvest to make sure we had room until one of the new legs were available and we could hit one of the existing 105' bins. As fast as the corn was drying down, we made the decision to not get the dryer ready, but instead focused on getting the new legs and storage completed.

On the afternoon of September 23, we were finally able to dump the first load of corn through a new pit. Mark Hoerbert happened to be the first one to dump a load on the new side. This corn went into one of the existing 105' bins. We put about 200,000 bushels in that bin within the first 24 hours of the new pit being open. The millwrights were then able to get bins ready as we needed them. One day we would have about 50,000 bush-

els of space, and then we would add 750,000 as another 105' bin became available. Bill Wagoner dumped the first load that went into one of the new storage bins.

We still have some pieces of equipment that have not been utilized yet, but that should change in the near future. The electricians still have some gates and other odds and ends to finish up, but that work is progressing nicely. We believe they should be done early enough for us to try everything out before harvest starts.

One thing people will notice is that the dirt piles you drove between last harvest have disappeared. Most of it was spread out on both sides of the road, some was hauled off by customers, and the rest was put in the basement of the old office that was torn down in March.

Three of the new bins; the 105 and both 60 foot tanks have been filled this winter and have settled nicely. We hope to be loading rail out of these tanks in the very near future. The last bin we have to fill and settle this summer is the hopper tank. They will all be ready to go this harvest.

Our hope is that planting progresses nicely this spring and we will have a big harvest. We are really looking forward to finally getting to try out our new dryer this fall.

John Hoerbert



New Office showing the Inbound and Outbound scales and a probe designed and built by GRAINLAND Staff



New bins and office



New pit house and gravity tanks



Aerial view of new bins and leg tower



New 10,000 Bushel per hour Dryer