

GRAINLAND Cooperative

927 County Highway 3
Eureka, IL 61530

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The GRAINLAND Scoop

PROUDLY SERVING PRODUCERS SINCE 1903

A Word from Your President

June 30th marked the end of the 2012 fiscal year at GRAINLAND Cooperative. Having held a July board meeting with our auditor, we are pleased to report that 2012's net profit was the 2nd best in the history of GRAINLAND. Net profit before taxes was \$3,474,151. At the July meeting the Board approved a patronage of \$.18 per bushel for corn, beans, and wheat, with 11% on drying and storage all paid as 40% cash and 60% stock. We also will redeem 2006's Class E stock which totals \$463,315.65. Net income retained would be \$1,358,052.

As we look ahead, we also see some challenges that the 2012 growing season has presented us all with. We all know there are already significant yield losses in many corn fields. Since 2 of the 3 ways a grain company generates income (drying and storage) will be impacted by a reduced corn crop, we already know 2013's income will be reduced. And, we know that problems beget more problems such as concerns with aflatoxins and low test weights, both which could result in potential storage issues and concerns.

While we are anxious about what harvest will reveal, we remain confident that GRAINLAND has enough financial stability and resilience to endure what the 2012 crop year will present us with.

We are always grateful for the support of our patrons. The Board is also grateful for the efforts of our staff and employees who have worked very hard to make 2012 a very successful year and for the work they are doing to prepare GRAINLAND for the upcoming harvest.

Tom Kennell
GRAINLAND Cooperative Board of Directors President



As 2012 was deemed the International Year of the Cooperative by the United Nations, we are reminded of the value of a cooperative to the patrons and communities which they serve. In the spirit of a cooperative, we are glad that we can return some of the profit to our patrons in the form of patronage and stock redemption. Additionally, a cooperative can enhance its patrons and communities by returning profit in the form of improved facilities and services. We are especially glad that GRAINLAND can offer major improvements to our facilities again this year.

A note from your General Manager:

Please contact us prior to harvest delivery to update your farm splits, field ID's, addresses, and cell phone numbers. We would also appreciate if you could give us your email address. We continue to offer direct deposit of your grain checks and have online access to your grain account. You can also get daily market updates texted to your cell phone. With the expanded trading hours, if you have a price in mind above the market that you are willing to sell, please leave us an offer. Call us if you are interested in any of these options. Harvest hours may be shorter and will be posted at each location due to the shortness of the crop.



Mission Statement

We at GRAINLAND Cooperative will enhance the profitability of our patron owners by providing a financially sound and progressive company.

Goals

- To help patrons be aware of, appreciate, and promote their ownership in GRAINLAND Cooperative, we will provide prompt, courteous and friendly service, open communications and accessibility.
- To provide GRAINLAND Cooperative and our patrons with marketing alternatives and competitive bids, we will develop other market outlets and work with other cooperatives in the region to develop grain merchandising opportunities.

- To keep GRAINLAND Cooperative sound and progressive, we will explore opportunities that may arise such as buy-outs, mergers, cheaper utilities, value added products, specialty grain contracts, or a business venture other than grain. In addition to grain, we will continue to provide specialized services as long as there is sufficient demand.
- To enhance harvest services to our patrons, and provide services at a competitive fee, we will upgrade grain-handling equipment to increase flow efficiency and grain quality.
- To enhance marketing services to our patrons, we will offer a brokerage service, market education, and current market information.

A Productive Summer at the El Paso Grain Facility

As most of our readers know, the El Paso grain facility has been closed due to on-going construction this past season. It was emptied out and closed to business for the safety of our employees and customers during the renovation project to replace old equipment and install a new leg at the facility.



This renovation is looking at a projected completion date of September 1st, but we are happy to report that it will be ready for the harvest season on August 15th. This uncharacteristically dry summer has sped up the pollination process and looks to be pushing the harvest date up a little earlier than planned, but the El Paso facility will be ready for dumping and we are planning to accommodate our customers. With the new leg and the construction improvements, the El Paso facility will have a 32,000 bushel per hour dumping capacity.



“(The construction process) has been moving smoothly. During the early stages, we were delayed a little bit by windy days and this warm summer has pushed our crops to mature a little earlier; but we are planning to meet our projected completion date with no problem and will definitely be ready for business even with this earlier harvest season,” said Jeff Brooks, GRAINLAND Cooperative’s general manager.



We also planned on having a customer appreciation day at the El Paso facility in August to show off the new construction and updates for our customers. However, due to the rapidly approaching harvest we will have to delay this event. We will make alternate plans after harvest is completed and properly celebrate the new updates at the El Paso facility. Thank you for your understanding and we thoroughly appreciate your business.



HARVEST RATES FOR 2012

****PRICE LATER DRYING RATES****

15.1% - 16.0%	\$ 0.04	23.1% - 24.0%	\$ 0.18
16.1% - 17.0%	\$ 0.07	24.1% - 25.0%	\$ 0.19
17.1% - 18.0%	\$ 0.10	25.1% - 26.0%	\$ 0.20
18.1% - 19.0%	\$ 0.13	26.1% - 27.0%	\$ 0.21
19.1% - 20.0%	\$ 0.14	27.1% - 28.0%	\$ 0.22
20.1% - 21.0%	\$ 0.15	28.1% - 29.0%	\$ 0.23
21.1% - 22.0%	\$ 0.16	29.1% - 30.0%	\$ 0.24
22.1% - 23.0%	\$ 0.17	30.1% & Above	\$ 0.02

Corn shrink factor is 1.3% per point.

Soybeans <=14.0% moisture - averaged by the farm.

PRICE LATER CHARGES

Corn - \$.14 minimum to Jan 15, then \$.00082 per day.
Beans - \$.17 minimum to Jan 15, then \$.00099 per day.

CORN

Maximum Moisture is 34%. Corn shrunk to 15% to sell and 14% for storage. Each load will stand on its own for all grade factors. Drying charges will be deducted at the time of settlement for corn that is sold. Drying charges will be billed and due by January 1, 2013 for stored corn.

SOYBEANS

Soybeans will be shrunk to 13.0% moisture. Soybean shrink factor is 1.5% per half point of moisture for beans 13.1% to 15.0%. Soybean shrink factor is 2.0% per half point of moisture for beans over 15.0%. All other grade factors will be on a load by load basis.

CARRYOVER GRAIN

A 10 cent carryover charge plus a new minimum charge will be applied to any grain not sold by August 31st. Each load of grain not sold 7 days after delivery will be placed in storage.

*****IF YOU WOULD LIKE TO PARTICIPATE IN THE PRICE LATER PROGRAM YOU NEED TO NOTIFY US PRIOR TO SEPTEMBER 1ST BY PHONE OR EMAIL.*****

****OPEN STORAGE DRYING RATES****

15.1% - 16.0%	\$ 0.05	23.1% - 24.0%	\$ 0.19
16.1% - 17.0%	\$ 0.08	24.1% - 25.0%	\$ 0.20
17.1% - 18.0%	\$ 0.10	25.1% - 26.0%	\$ 0.21
18.1% - 19.0%	\$ 0.12	26.1% - 27.0%	\$ 0.22
19.1% - 20.0%	\$ 0.14	27.1% - 28.0%	\$ 0.23
20.1% - 21.0%	\$ 0.16	28.1% - 29.0%	\$ 0.24
21.1% - 22.0%	\$ 0.17	29.1% - 30.0%	\$ 0.25
22.1% - 23.0%	\$ 0.18	30.1% & Above	\$ 0.02

Corn shrink factor is 1.35% per point.

Soybean loads stand alone.

STORAGE CHARGES

Corn - \$.16 minimum to Jan 15, then \$.00082 per day.
Beans - \$.19 minimum to Jan 15, then \$.00115 per day.



People and Places



Richard Beck contemplates his next move in piecing together the frame work for the new hopper.



Richard Beck is welding the frame work for the new hopper while John Allen is working on breaking up one last chunk of concrete.



John Allen and Jeff Funk put the beginning steel work up for the new hopper in the corn pit.



Andrew Craig and Richard Beck work to remove shoring under the new roof of the dump shed.

Changes on the Horizon

If you're planning to stop in the GRAINLAND Eureka facility any time soon, a familiar face will greet you. During the El Paso grain facility's current construction project the facility was closed and so GRAINLAND's assistant manager John Aeschliman's office was relocated from the El Paso facility to the main office at Eureka.

Initially the move was necessary because of the facility's closing for safety reasons during renovation, but John has become such an essential asset at the Eureka facility, we've decided to make the move permanent. During this stressed growing season, business has been rather busy and John's knowledge has been an invaluable resource at the main office. We are so glad to have him there to capitalize on his experience with the company and his extra hands have increased work efficiency and productivity around the main office.

John's move has been quite an effortless transition, with little change in GRAINLAND's daily work flow. Since this transition has been so smooth we will no longer be doing grain checks and settlements out of the El Paso office. All business will continue to be done through the Eureka main office.

With the reopening of the El Paso grain facility on the horizon, there is another change we are happy to announce. Our previous summer intern from 2011, Andrew Craig, was hired on recently and has been working in Elevator Operations.



Andrew Craig

Andrew originally hails from Bloomington, IL and has been a rural American farm boy all his life. He is a graduate of Illinois State University where he majored in Ag Business Management. Growing up Andy was very involved in his local 4-H and FFA chapters and has been showing cattle around the state of Illinois for what feels like his entire life. "I've been working for farmers and showing livestock for quite some time now and I've really enjoyed that aspect of the ag industry. But after college I decided I'd like to see another side of the industry and GRAINLAND has been the place for me to do that," said Andrew.

Andrew has been working for GRAINLAND in outside operations to learn and develop an understanding of GRAINLAND'S business flow, as well as the storage and movement of grain around the facilities. His experience will be an incredible asset at the renovated El Paso facility when the facility reopens for harvest in August and we are very excited to have him on board the GRAINLAND team. We appreciate your support of John and Andrew in their new roles.

Contact Information

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Grainland Cooperative Board Members Attend the Grain Leadership Conference

By, Karen Jones

What will agriculture look like in the future? With growing world populations and the goal of increasing crop yield considerably in the coming years, it will certainly be different than the agriculture we know today.

GRAINLAND Cooperative board members accompanied nearly 90 other grain cooperative managers and board members and considered that question at the recent Grain Leadership Conference, held in Bloomington, Ill.

Steve Meinzen, John Deere and Co. head of concept design, shared his perspective on the equipment and infrastructure needed to handle projected 250-300 bushel corn yields over the next 10 years.

“We’re facing the challenge today of designing combines that are not necessarily bigger, but better able to work with the logistics needed to move grain from the field to storage,” he said.

As the amount of grain produced goes up, local elevators will need to find ways to ensure they can handle that production in as efficient a manner possible. This could include automation of some processes, alternative in-field storage, or priority dumping based on moisture content.

“Local elevators will continue to play a key role in agriculture,” Meinzen said. “Find out what your customers need, deliver on those needs as best you can, and stay open to new ideas.”

While farmers and others involved in agriculture must continue to improve domestic grain handling efficiency, worldwide food demands and trends must also be considered. According to Dr. Robert Thompson, professor emeritus, University of Illinois, world food demand is projected to grow 70-80 percent by 2050. By 2020, the world’s middle class is expected to double.

Thompson said in developing countries, 1.4 billion people live on less than \$1.25 per day; 2.6 billion live on less than \$2.00 per day. As income rises from \$2.00 to \$10.00 per day, people begin to eat more meat, dairy products, eggs, fruits, and vegetables, causing rapid growth in commodity demand.



“Every country has to ensure a reliable, safe, nutritious, reasonably priced food supply for its citizens in order to sustain its economic, political, or military power,” Thompson said. “As countries develop, their need to import food products will continue to grow.”

There is a finite amount of arable land available in the world, and a limited amount of resources, including water, necessary for food production. In order to meet the challenge of doubling food productivity by 2050, several factors must come together.

“We must find ways to make presently unusable soils productive, increase the genetic potential of crops and livestock, improve crop nutrition, increase water availability and control, reduce competition from weeds, reduce loss from insects and disease, and reduce post-harvest loss,” he said.

Announcing the 13th Annual Meeting of **GRAINLAND Cooperative**

The 13th Annual Meeting of GRAINLAND Cooperative will be held on Thursday, August 30th, 2012 at 8:30 A.M. It will be ONLY a meeting this year, and please note the date and time change. The meeting will be held at the GRAINLAND Eureka office, 927 County Highway 3, Eureka, Illinois. This meeting will be hosted for the purpose of considering and acting upon reports of the officers and Board of Directors for the preceding year and for transacting such other business as may properly come before the meeting. We hope you will be able to attend the meeting this year, and look forward to another successful year for GRAINLAND Cooperative.

With sincerest thanks from your GRAINLAND Board of Directors:

Tom Kennell, President
 Kent Hodel, Vice-President
 Fred Wyss, Secretary
 John Schertz, Treasurer
 Ted Blunier

Ron Hastings
 Richard Kingdon
 Steve Patton
 Pete Streid

What’s the Story Lori?

High Expectations
 By, Lori Miller

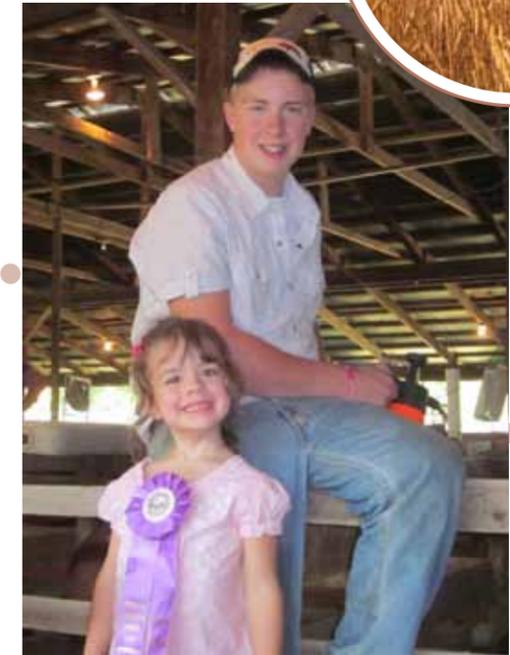
No matter our field of work or hobbies, I think we all have high expectations in our lives. But often despite the hard work and effort we put into something, we seem to fall short every now and again. With this challenging summer of high heat and little rainfall, it’s kind of similar to my son Matt’s 4-H and FFA projects.

My husband and son start planning a year in advance what they want to do for their annual pig project. At the end of the summer they will select several of the best performing females and then carefully choose which males to breed them with. This process can be quite costly and time consuming. Sometimes their strategy debates can be so lengthy, I wonder if they even notice that I have left the dinner table!



Several months following the working and planning sessions, we anxiously wait for the litters to be born and to see if all the hard work has paid off. My grandchildren think the baby piglets are cute when they arrive and I must agree, but my husband and son are usually more concerned about whether or not they will be worthy of the title “show pig.”

After several more months of chores and discussion, we are finally ready for the fair season to begin. The pigs were very



successful at their first two shows, and our hopes were high for a great showing season. But then their performance at the next few shows was less than desirable. Despite these setbacks, the boys still have many more fairs between now and the beginning of September, and they will continue their pursuit for success.

This experience has taught us so much. Sometimes even with all the preparation, hopes and prayers; situations don’t always work out the way you like. These are the lessons we are hoping our son will learn from this opportunity. I believe that the important things to remember are the “lessons learned and memories made.” Always strive for your very best and you will never be disappointed in the outcome.

Just like the farmers plan their next crop; we started out this spring with such high expectations. Mother Nature has dealt us a blow, and we will continue to deal with the fact that we cannot control what is out of our hands. But I know that farmers will make the best of the situation we are in. The outcome is unknown and all we can do is hope for better conditions next year.

