

GRAINLAND Cooperative  
927 County Highway 3  
Eureka, IL 61530

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Mark your calendars!

As a token of our appreciation we will be hosting a customer appreciation dinner Thursday, June 20th from 4:00 to 7:00 pm. This will be an open house event at the El Paso elevator giving you the opportunity to see the newly renovated facility.

We invite you and your family to come spend the evening with us, enjoying dinner, events and touring the facility. In addition to viewing our new grain handling equipment, we will also have some field equipment on display. There will be an opportunity to win several raffle prizes as well as a \$100 prize to the winner of our site quiz! Come stuff your bellies and enjoy a fun day with family and friends.



The  
GRAINLAND  
Scoop

PROUDLY SERVING PRODUCERS SINCE 1903

A Word from Your President

As I reflect over the last 10 years of Grainland, it's obvious to see the same volatility that you as patrons have experienced in your operations. I will try not to use that word again as we are all tired of hearing it. The difference in Grainland's net income over the last 10 years saw swings of 1300% from its low in 2003 to the high in 2009. It makes long term planning and budget projections difficult to say the least.



I also don't want to miss the opportunity to thank another valuable resource over the last decade. When I look back at all the work and renovations that our employees have contributed to Grainland's future, I am quite amazed how it all got done. We are very fortunate for their talents and gifts and to them we say thank you.

But, we are grateful that this last decade has afforded us with record profits that we have both been able to return as patronage, and perhaps more importantly, able to make significant improvements to our facilities. We have made significant gains in storage, drying, and receiving capabilities/capacities, all while staying very current on our financial obligations. We commented at our last board meeting that we are anxious to put the new renovations to a test, as last year's drought came up short.

I think we are all anxious to get the bins swept clean of aflatoxin and look forward to another crop year. I wish you all a safe and prosperous growing season.

Tom Kennell  
Board President

Manager's Message

There is one thing you can say about agriculture and that is no two years are alike. That is very true for the grain industry. We were just discussing how nice it would be to have corn piled on the ground again. At least it is something we can see and deal with, unlike this years' aflatoxin. It is very frustrating to send a load of beautiful looking corn only to have it rejected because of higher than acceptable levels of aflatoxin.

The market this year has actually allowed us the opportunity to move most all of our grain earlier than normal. We will be spending the summer making repairs and preparing hopefully for a big new crop. We have shipped out all of the wheat that we have been carrying. All facilities are empty of regular beans with Secor and El Paso empty of corn. We have non-gmo beans left at Secor and corn in Eureka. You might want to take note that the market is

telling you not to carry your old crop grain into the new crop year.

The CME has changed trading hours again. We now buy grain from 7:30 am to 7:45 am and from 8:30 am to 1:15 pm. New improvements are coming to Secor this year as you will read about later in this newsletter. Despite all of the challenges that this year's crop has presented we are on course to have a profitable year. We continue to plan for the future to meet your needs in delivering your crops to GRAINLAND. Thank you for your business. May you raise a bountiful crop to deliver to us this fall.

Jeff Brooks  
Manager





## Marketing Message

It seems that gravity has taken control of the Corn and Soybean markets this last couple of weeks. I like to compare the markets with throwing a pencil in the air. The pencil will go up until the energy runs out then it falls down quickly. The grain markets act in a similar way. If there is positive bullish news the markets rally but as soon as that news gets old and stale the markets fall down quickly.

The USDA quarterly stock report that came out on March 28th gave the market a surprise. The stocks on corn came out at 5,399 bln. bu. that was 400 mln. bu. higher than trade expectations. The bean quarterly stocks came out at 999.3 mln. bu. that was nearly 65 mln. bu. above the trade guess. This report took a dollar off both the corn and bean market in a short amount of time. The drought of 2012 certainly gave the markets the energy it needed to post new highs. However we are now in the 2013 crop year. We may be behind on rainfall over the last 12 months but since 2013 started we are ahead on year to date rainfall. The USDA came out last month with the Prospective Planting report indicating that 97.3 mln. acres of corn and 77.1 mln. acres of beans will be planted in 2013. This early in the growing season the commodity traders feel we will be able to produce trend line yields on both corn and beans. If this comes to be, carry out on corn at the end of the 2014 marketing year will be over a billion bushels. There currently is some concern that the wet weather and cold temperatures will delay planting past the ideal dates. The higher corn prices the last few years has encouraged other countries to plant more acres of corn and consequently they are taking a larger percentage of our export markets. The April 11th Supply and Demand report for corn estimated exports at 800 mln. bu.

versus last year of 1.543 bln. bu. Soybean exports estimate came out at 1.345 bln. bu. versus last year of 1.362 bln. bu.. The ending stocks for the US is projected to be 757 mln. bu. of corn and 125 mln. bu. of soybeans both below the average trade guess of 824 on corn and 137 on beans. The world ending stocks on corn was estimated at 125.3 mmt. on corn and 62.6 mmt. on beans both higher than the average trade guess of 120.2 on corn and 62.6 on soybeans. The South American estimate for corn out of Argentina was 26.5 mmt. and Brazil 74.0 mmt. both were higher than the average trade guess. The estimate on the Argentina bean crop was 51.5 mmt. and Brazil was 83.5 mmt. again higher than the trade estimate. The US ending stocks by itself was a friendly report, however the world numbers were negative. I always like to use the average farm price that the USDA puts out with their Supply and Demand numbers as a benchmark for pricing grain. The 2012 crop for corn the average farm price is \$ 6.90 per bushel and for beans \$ 14.30 per bushel. If prices reach and exceed these levels it tells me that this may be a level to lock in some more 2012 crop sales.

The only thing we can say for certain about the markets is that volatility is still alive.

John Aeschliman



## Building for the Future!

### -Your elevators updates and improvements-

This past year has been a busy one here at Grainland Cooperative. As the majority of you know our El Paso facility took part in a major renovation prior to our last harvest. In this renovation we concentrated on making the facility as user friendly as possible. We put in a 20,000-bushel per hour bean leg, which increased the total dumping capacity at this location to 32,000 bushels per hour. In addition to the added leg we also constructed a new concrete pit house with two 1200-bushel pits. Each pit has grates from wall to wall making it possible to unload both hoppers at once in one stop as well as having minimal clean up. The pits were lined with baffles in order to cut back on dust in the pit area while dumping. We ran into a few minor weather set backs on the project, but we were able to complete the build just in time for the 2012 harvest. Although we did not have the bushels we may have hoped for, there was a lot of positive feed back on the updates and we look forward to pushing the equipment with more bushels next fall and getting you back to the field as quickly as possible.

The El Paso facility was not the only facility to receive modifications this year. We were also able to focus our attention on the Secor elevator. This location was in need of a new wet leg, so Grainland staff put their skills to good use and was able to rebuild and restore the disassembled bean leg from El Paso. In addition to putting up the newer and larger 8,000-bushel wet leg at the facility we are also doing many other updates to make it a much more user friendly and more efficient facility. Some of these improvements include extending the bean leg, new electric distributor on the bean leg, new top annex conveyor, new spouting, and an electric PLC system. The PLC system will allow staff to control equipment electronically rather than manually at each individual interchange. Part of our mission to you is being able to upgrade the grain handling equipment to increase flow efficiency and grain quality. As our production grows in time, so does the equipment we see pulling into the field every year. By updating our equipment we are able to provide our patrons with faster and a more efficient experience. All of these updates and modifications are well on the way and will be completed by harvest.

Andrew Craig

Electric/touch screen PLC system put in El Paso as well as in the Secor location



Jeff Funk dumping a load of corn in the new pit in El Paso.



Koehl Brothers hard at work in Secor.



Refurbished wet corn leg in Secor.



New Pit house in El Paso.



New manlift in El Paso.



New overhead bin, spouting and manlift in El Paso.



# The GRAINLAND Scoop

## What's the Story Lori?

By Lori Miller

We have been having a baby boom around the office this winter. Jeff Kaeb's sister Julie and her husband Josh Stoller welcomed their baby boy Tyson Grey on December 27, 2012. My husband and I welcomed our third grandchild in February. Caitlin May O'Brien was born on February 24, 2013. Her sister and brother think she's pretty great, so far anyway!

So now we are having facebook challenges on who has the cutest and most adorable baby pictures posted. I have decided that we are both blessed to have such sweet little ones in our lives.

In the springtime, it's easy to feel the renewal of all things. Finally, we can begin to put the winter behind us. We start to see the dull brown grass turn into beautiful green lawns within a matter of days. The robins show up and have to deal with the rise and fall of temperatures.

The blooms start on the trees and spring flowers start to sprout.



Lori's granddaughter Emma loving on her new sister



Proud Granny



Lori's new granddaughter Caitlin sleeping

Jeff Kaeb holding his nephew Tyson



These are the times I like to take notice of how quickly things get moving again. The farmers have been busy getting equipment ready, picking up their seed for planting and checking on the ever changing forecast. The office will get very quiet soon, once everyone ventures off into the fields. We will be fighting over who gets to answer the phone when it finally does ring!



Jeff Kaeb's nephew Tyson

We have been busy at home with our winter litters of pigs for the upcoming fair season. We are hopeful for a good outcome for my son Matt this summer. In the meantime he has been busy with 4H shotgun sessions and his bass fishing club.

We hope you have a safe spring planting season and hopefully with the recent rainfall higher yields this coming harvest.

## Andrew's Article

Just like this Illinois weather my first year here at Grainland was an unpredictable one. For those of you who may not know me, my name is Andrew Craig. I am a first year hire after completing a GROWMARK internship here in the summer of 2011. Although I am quite new to the grain industry, I have grown up around agriculture both in the field and around livestock all my life. The past several months here have been quite the experience. As most everyone is aware, this past year's drought like conditions has been prime in producing aflatoxin infected corn. Aflatoxin is just one of the many things in the grain industry that is quite difficult to figure out. We have been busy shipping grain both by truck as well as train to make room for what I pray is a better harvest. I have been trying to learn as much as I can every day. I currently bounce between locations working both outside operations as well and assisting in the office whenever needed. I had the pleasure of meeting many of you who stopped by the El Paso office during this past harvest and look forward to meeting many more. I'm pleased to have such a great staff to work with here on a day to day



basis. I never imagined what takes place behind the scenes at an elevator of this size. These guys work hard and put in many hours doing some not so pleasant jobs to try and make the experience here for the patrons the best one possible. I have a lot to learn yet but I'm looking forward to working with all of you in the future. Have a safe and happy planting season!

Andrew Craig

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