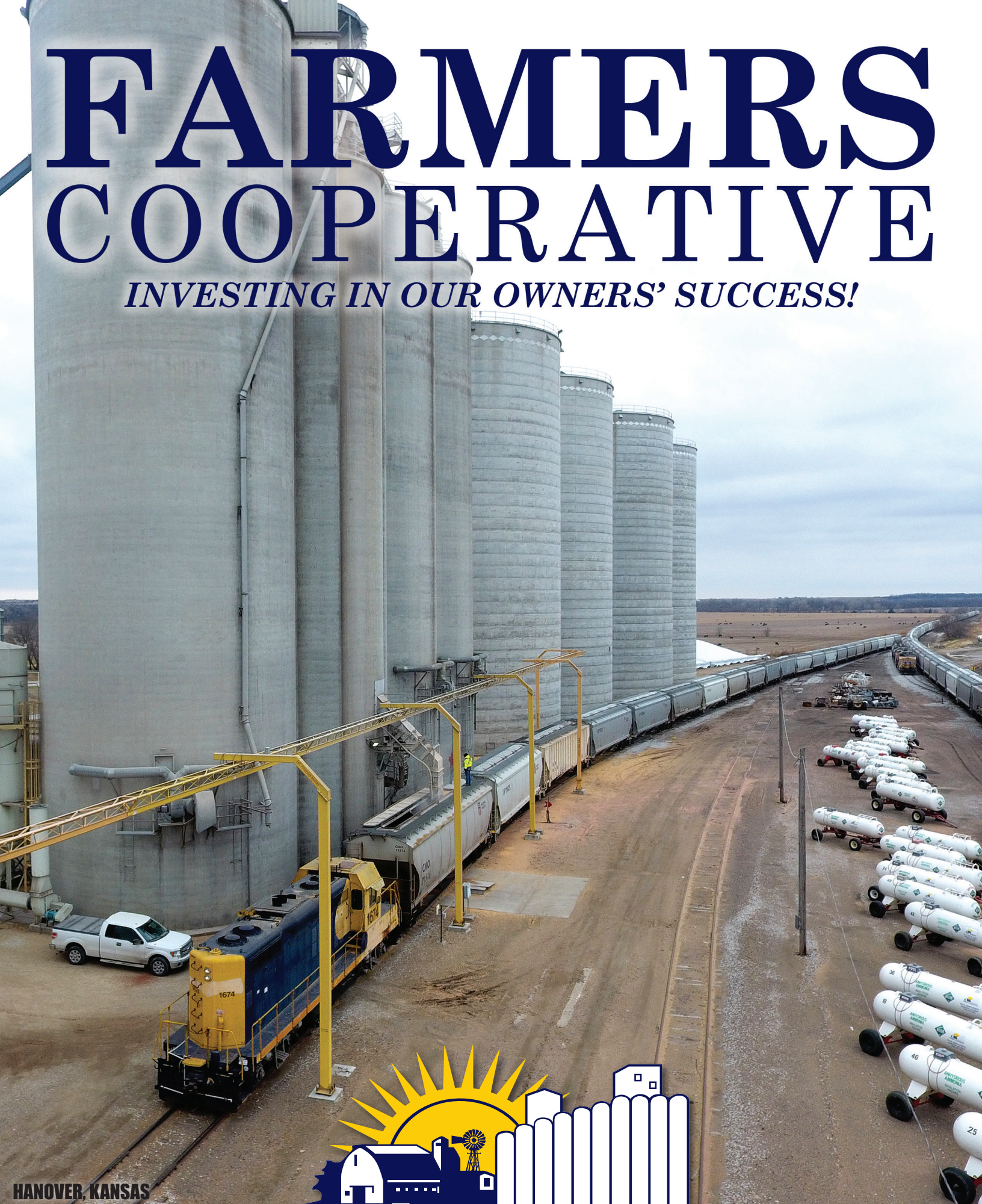


FARMERS COOPERATIVE

INVESTING IN OUR OWNERS' SUCCESS!



HANOVER, KANSAS



COOPERATIVE NEWS DECEMBER 2018



Ron Velder
CEO

Success is not a Given

Farmers Cooperative completed another year with sales plus other revenue of \$812.5 million for the fiscal year ending August 2018. These results are down a little from last year with less grain bushels sold during the year by Farmers Cooperative. We believe over our trade area we lost 4 to 5 million bushels of corn. Local savings was \$8.9 million generated during the last 12 months. Our partnership with Fortigen, anhydrous ammonia plant in Geneva, generated a loss of \$760 thousand while patronage with regional cooperatives produced \$4.2 million of income.

Your Board of Directors has elected chosen to pay patronage back to patrons who conducted business during the past 12 months with 50% of the allocation paid in cash. Checks will be issued after the annual meetings in January 2019. The remaining 50% will be issued as non-qualified deferred equity. Issuing non-qualified deferred equity started last year with the allocation issued in January 2018. Non qualified equity is not taxable to you the patron until paid in cash by Farmers Cooperative. The tax world is continually changing, and Farmers Cooperative's taxes will be explained in more detail starting at the annual meetings in January 2019.

I want to thank our patrons for your continued support of Farmers Cooperative. I also encourage you to show your appreciation to the 600 plus employees working to help your farming operations in all kinds of weather thorough out the year. Each employee plays a huge role in the success and ability for Farmers Cooperative to continue to invest in communities and utilize the cooperative patronage model. We're very thankful for all of them.

Have a safe Holiday season with blessings to you and your families.

Ron Velder

Taxes

Taxable Distributions Received from Cooperatives Form 1099-PATR

Farmers Cooperative will be utilizing these boxes on the 2018 & 2019 1099-PATRs.

Box 1

Patronage Dividends – Qualified written notices of allocation, Farmers Cooperative issued in January of the year of the form. 1099-PATR for 2018 is the distributions issued in January 2018.

Box 3

Per-Unit Retain Allocations – Patron grain sales to Farmers Cooperative who participate in patronage. Grain sales from January through December 2018 will be on 2018 1099-PATR. Box 3 will not match amount used for Patronage Dividends as it is our fiscal year numbers that ended in August 2018 not calendar year December 2018.

Box 4

Federal Income Tax Withheld – Backup withholding submitted for patron by Farmers Cooperative.

Box 5

Redemption of Non-qualified Notices and Retain Allocations – Non-qualified equity paid in cash during calendar year.

Box 6

Domestic Production Activities Deduction – Farmers Cooperative passed through to the patron.

The image shows a 2018 Form 1099-PATR. The form is titled "Taxable Distributions Received from Cooperatives" and is labeled "Copy A For Internal Revenue Service Center". It includes fields for the payer's and recipient's names, addresses, and phone numbers. The form is divided into several boxes for reporting different types of income and deductions, including: 1. Patronage dividends, 2. Retain allocations, 3. Per-unit retain allocations, 4. Federal income tax withheld, 5. Redemption of non-qualified notices and retain allocations, 6. Domestic production activities deduction, 7. Investment credit, 8. Patron's AGI adjustment, and 9. Other credits and deductions. The form also includes a section for "Other information" and a "Remarks" section.

Your FC FUEL OPPORTUNITIES



Tom Garner
Energy Manager

We just wrapped up another harvest and what a challenging harvest it was! Between several rains and a couple of snows, harvest just drug on. As challenging as it was for the producer to get the crop out of the field, the energy division of Farmers Cooperative had a relatively uneventful 2 ½ months when we were expecting difficulty in sourcing

supply. Our suppliers started telling us in August that supply could be very tight due to refinery maintenance in the Northern tier of the United States and in the Chicago area, which always spills over to the Midwest. Everyone needs fuel and where it is short; they just drive to the next terminal, ultimately ending up hundreds of miles from home in some cases. We took early precautions by carrying extra inventory at our bulk locations to try to minimize any supply disruptions should they occur. Fortunately for us, the long, drug out harvest did for the most part alleviate severe shortages in our immediate area. There were some spot outages of diesel fuel here and there, but nothing we were not prepared for.

Recently the energy markets have pulled back substantially. Diesel fuel is down from a high of \$2.78 on October 9th to \$2.52. When it comes to next years pricing, crude is hovering just above \$55.00 and diesel

fuel contracts for March through November of 2019 have come down substantially. We started offering the 2019 contracts on September 12th with a pre-paid price of \$2.65, it hits its high for the year (so far) of \$2.75 on October 9th and today it is currently in the low \$2.40's. By contracting at today's prices, it's actually cheaper than having it in the tank. While no one can predict where it will trade in coming months, my feeling is that we will not trade \$55.00 crude oil into next year. OPEC has a meeting scheduled for December 6th and has repeatedly stated that they want and need crude oil in the \$70.00-\$80.00 range. Should they decide to cut production that could very well turn the market higher.

**BY CONTRACTING AT
TODAY'S PRICES, IT'S
ACTUALLY CHEAPER THAN
HAVING IT IN THE TANK.**

Propane contract prices have fallen in a similar manner and irrigation contracts are currently down to just over a dollar for June-September. Inventories are very good for this time of the year, so I don't expect major swings in propane prices in the near future.

While it is impossible to outguess the market on a consistent basis, it is possible to watch for opportunities that come along at any time. Today's market appears to be one of those opportunities. All Farmers Cooperative branches have up to date contract pricing for both Diesel and Propane for 2019, so you can visit with any of them to get current prices.

Thank you for your business in the past and we look forward to serving you in the future!

Have a wonderful holiday season!

Help Us Help You

Roger Kreifels,

Propane Manager

Safety is and always will be our number one priority here at the Farmers Cooperative.

When making propane deliveries we occasionally come across something that is not right or unsafe on your propane installation. In addition to this, with our propane delivery software, we're able to see what appears to be excessive usage, especially over the summer months. On several of these excessive usage situations, we've performed a leak check and discovered leaks in the system and were able to get them fixed before it caused an even more serious situation. When we come across these types of things, it is very important that we are able to contact you to address these incidences in a timely manner.

Unfortunately, what we are finding is that on over 70% of our customers phone contact information is either missing or no longer in service.

I'm sure a lot of you are like me and no longer have a landline. With this, we are asking you to please call us to update your contact information. We can add multiple phone numbers as well as e-mail addresses to your account. We will only use this information to contact you about a problem with your propane system that needs to be addressed immediately.

Please call our Propane Call Center at 800-473-4579, the Dorchester Office at 800-642-6439 or the Plymouth Office at 800-456-3538 to confirm we have your current contact information in the event of an emergency.

Finally, I'd like to thank everyone for their past and future business and wish everyone Safe & Happy Holidays.



YOUR
RECIPE 4
SUCCESS



CARAMEL CHEETOS

INGREDIENTS

2 cups lt brown sugar
1 cup butter

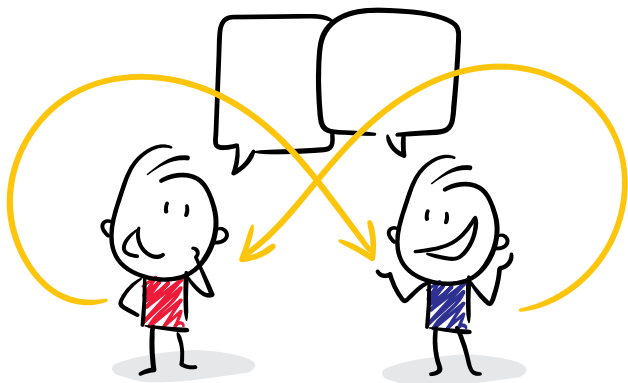
½ cup light corn syrup

½ teas. baking soda

1 – 20.5 oz crunchy Cheetos

Instructions

Preheat oven to 250 degrees. Bring to boil sugar, butter & corn syrup. Boil for 5 minutes stirring continuously. Remove from heat & add soda. Stir until light & foamy. Pour caramel over Cheetos in large bowl & stir to coat. Pour onto large baking sheet lined with waxed paper. Bake 1 hour, stirring every 15 minutes. Dump on waxed paper to cool, break apart and store in air tight container.



COMMUNICATION IS THE KEY

Rob Blahauvietz,

Credit Department Manager

We have completed the 2018 season and hopefully your financing needs for the 2019 year have been arranged. I would like to remind you of your cooperative's credit terms and policies. All monthly statements are due and payable in full by the last day of the month following the purchase. Any balance not paid at the end of the month will be considered past due and be assessed a finance charge at an annual rate of 16%. Any account 30 days past the due date could be subject to being placed on a cash on delivery basis.

If you will need extended terms from the Coop, please contact me to apply for additional financing. We do have long term financing available through the Cooperative Finance Association for your crop inputs at a very favorable interest rate. If you have CFA financing, you will also receive any cash discounts available. This must be done as soon as possible and before the season begins. You must also have your 2018 crop inputs paid before any new inputs will be delivered.

The key to working with you is communication. You can contact me at the Dorchester office at 800-642-6439.



Wesley Hedges, Precision Ag Manager visited Tri-County Schools to discuss grid sampling, variable rate application and demonstrate proper soil sampling

Farmers Cooperative | 402-946-2211 • 800-642-6439

ANNUAL AUDIT



Stan Mitchell

Chief Financial Officer

In October we celebrate Cooperatives and reflect on the value of belonging to member owned organizations that are committed to its members, local communities and agriculture. For Farmers Cooperative it is also that time of year that we complete the annual audit and present it to your Board of Directors for their approval. This year your Cooperative will post profits for fiscal year August 31, 2018 and those results will be presented at the annual meeting scheduled for January 8th and 9th, 2019. It is important to note that as a member owned Cooperative, the profits that are generated by your organization are returned to the members either in cash or as investments in your local communities. The profits that are returned to you the patron are taxable in the year you receive them and are reported each year in January on IRS form 1099-PATR.

This January you will receive a 1099-PATR for the patronage that you received in 2018. You will notice a difference in that you will only report the actual cash that you received compared to past years when you reported the whole patronage allocation. This is because for 2018 the patronage was issued as a Non-Qualified allocation. The short explanation is that your Cooperative generated tax credits from section 199 as well as receiving section 199 pass through from Regional Cooperatives. This pass through allowed your Cooperative to minimize the income taxes by allocating back to the producer. The amount of the deferred allocation for 2018 will be taxable to you the Patron in the future when it is redeemed or paid back to you in cash. A Non-Qualified patronage allocation simply is a tax planning strategy that helps manage the tax expense for your Cooperative.



MISSION DRIFT



Chris Foree
The Oil Guy

I ran across an old mission statement in a battered file folder this afternoon...

“Investing in our Owner’s success by serving the equipment community with humility and excellence, providing the most technically advanced American products in the cleanest possible way—quickly, precisely, honestly; making friends everywhere.”

(Before you correct capitalization and punctuation, I’ll let you in on a little secret. Referring to our Owner as a proper name in the possessive singular was by intention; in that his success is certain and therefore an investment in service to that end ensures a hundredfold return.)

The statement continues:

“Faith and hard work will propel us. Ask earnestly. Plan, agree, and set goals. Trust completely. Find and maintain partnerships. Support each other. Implement diligently. Innovate boldly. Monitor carefully. Be thankful regardless of outcome. Give back.”

It is an optimistic mission statement; some might say idealistic and even naïve. I wrote it myself years ago to unite a small group of young people around the principles that had given our little bulk lubricants business a modest foothold in our area.

A close reading of that old mission statement reveals something interesting, at least to me. There’s only one phrase touching on merchandise; the broader emphasis is on people. Trust and serve our Owner, care deeply for people, and you’ll care properly for their merchandise.

Properly handled oil is kept more pure and thus reduces wear between moving parts and lasts longer in operation; customers benefit in ways they themselves may not realize. Metaphors for life and service abound.

Fast forward 2018: Mission drift has set in. How did we get here?

Employee turnover is a formidable contributor to mission drift. The central themes of Owner-centered service are sometimes lost in the anxious haze of “how will we get through today?”

I write these things so that the newest serving and learning among us may know. But let the reminder edify us all, servants and customers alike, regardless of vocation:

Take to heart the Old Mission Statement. Act sincerely upon those foundational principles, and the stuff you might otherwise worry about (satisfaction, fulfillment, security, growth, courage to carry on) will take care of itself. You might say seek first, and all these things will be added to you.

“Faith and hard work will propel us.” Now faith is the assurance of things hoped for, the conviction of things not seen...but good faith is evidenced by good deeds. Again, how did we get here?

We got here caring more for our customers and for each other, rather than for ourselves. That intensity of care brings with it an unmistakable signature within the little things we do.

We got here delivering clean products, keeping dust and grime off drums, boxes, totes and tanks, placing plastic covers on pallets and drumheads; keeping warehouse doors shut even in the summertime; keeping warehouse floors swept clean; filtering hydraulic oil to an exacting standard of tolerance; testing and analyzing to ensure we keep our promises; keeping accurate chain-of-custody

***“INVESTING
IN OUR OWNER’S
SUCCESS...”***

records to protect those we serve.

We got here keeping packaging room doors shut, limiting airborne dust that can sneak into drums and pails as we package; using internal inspection lights to ensure new drums are free of dust and contaminants before filling; applying drum labels straight and clean, that they might speak of our care to protect the purity of the product inside.

We got here making sure delivery totes are cleaned thoroughly, with fresh breathers in place to keep dust and moisture away from precious oil as it flows; cleaning nozzles and tank openings when delivering bulk, making sure no grime finds its way into the oil our customers trust to protect their equipment.

We got here stacking cases neatly to avoid crushing boxes, rotating inventory so that nothing gets outdated; stacking cases neatly with labels in the same direction as we stage and shrink wrap and especially as we deliver to our customers; keeping straight rows of properly spaced totes.

We got here realizing that the outward appearance of a product says much about its internal quality, and even more about those responsible for preserving its integrity. If a drum or pail is filthy on the outside, it's probably filthy on the inside; yet there is no greater shame than a shiny exterior hiding a contaminated core.

We got here writing neat and informative invoices, being easy to work with and aiming to please; smiling and expressing genuine appreciation for our customers early and often by sending thousands of thank-you notes and Christmas cards.

We got here willing to get dirty; studying hard in order to know what our customers need even when they are unsure; readily admitting what we don't know, then finding the right answers; investigating suppliers and ensuring we offer products of the highest quality at justifiable prices, maintaining the inventory necessary to keep the gears turning and the pistons firing.

We got here being trustworthy and following through;

responding quickly with the right solutions; placing a priority on precision over speed; doing things right the first time; quickly correcting our mistakes; building a culture of fast delivery but not so fast that we multiply errors and break things.

We got here obeying our superiors, trusting their hard-earned wisdom in sincerity of heart; supervising others with goodwill, rendering service, gently teaching and patiently instructing, yet firm in our convictions.

We got here being accountable, avoiding the cop-out "it wasn't me," accepting correction sincerely, willing to change, building others up rather than cutting them down, praising rather than complaining.

We got here humbly, encouraging one another; not bragging on ourselves or telling tall tales of our own exploits; telling the truth no matter the consequence to what we perceive as our reputation.

We got here seeing every customer and coworker as a person of great value, doing unto others as we would have others do unto us.

In all these things, and many more, we have fallen short. The Old Mission Statement makes that clearer than mere conscience. Yet grace abounds; if that were not so, we would not be here still.

So here we are, for better or for worse. What we have done together may be defined as success or as failure, but we have labored earnestly to be here. We got here with a burning desire that our works might shine a light upon what we believe. Mission reclaimed.

"...Whatever is true, whatever is honorable, whatever is right, whatever is pure, whatever is lovely, whatever is of good repute, if there is any excellence and if anything worthy of praise, dwell on these things."

I'll keep that old mission statement on my desk from now on. How grateful we are for the honor and privilege of serving you. Faithfully, we soldier on, trusting and hoping, investing in our owners' success...thankful, for the outcome is sure. Merry Christmas!



Quality



Service



Reliability

Does Grid Soil Sampling Pay?



Wesley Hedges

Precision Ag Manager

Grid soil sampling pays in two primary ways; by increasing yields and by saving on inputs. The latter can be quantified by running a series of calculations from grid soil sample results. The savings are determined by comparing the input quantity difference between variable rate and uniform rate on fields calling for fertilizer.

We found that over the course of our standard four year grid soil sampling program, the average savings for aglime and 11-52-0 more than paid for the cost of the grid soil sampling. The total average savings across 60,000 acres of grid soil sampling was \$17.20 an acre. The aglime savings averaged \$8.55 per acre. The 11-52-0 savings averaged \$8.65 an acre. Table 1 shows the savings per input and total savings.

Figures 1 and 2 are examples of 2.5 acre grid soil test results for pH and P. As you can see in the figures, the soil tests vary significantly throughout the field. Some soil tests are very low and some are very high. The areas in the field with higher soil test values do not call for any aglime or 11-52-0, whereas the lower soil test values call for higher than average rates of product. The savings from variable rate applications come from cutting back and/or applying zero product in areas of the field that have near adequate to adequate soil test levels.

In summary, grid soil sampling will more than pay for itself merely by savings of inputs. The other primary benefit of grid soil sampling and variable rate application is the potential for yield increase, which can be significantly higher than the savings. Also, beneficial by-product to variable rate application is the sustainability of applying product in the right place and at the right rate.

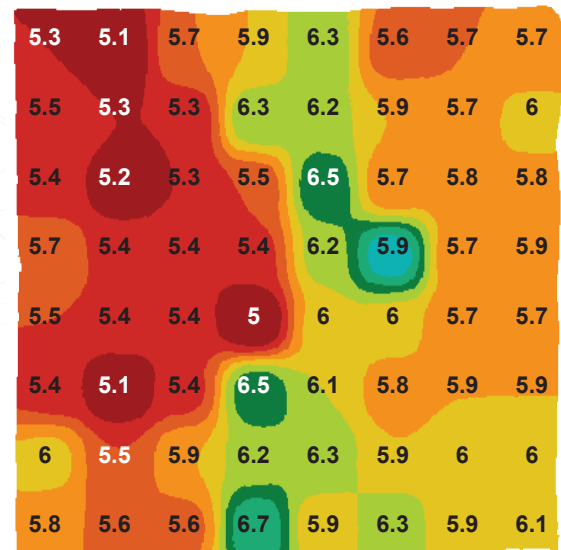


Figure 1. Soil pH results from 2.5 acre grids showing the variability throughout the field.

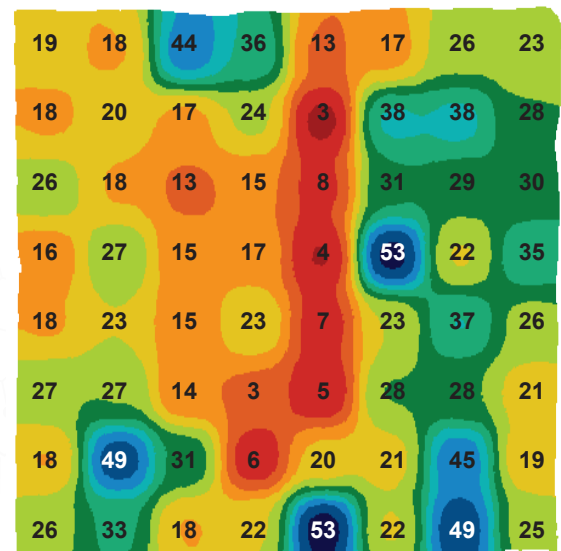


Figure 2. Soil P results from 2.5 acre grids showing the variability throughout the field.

	AGLIME	11-52-0	TOTAL SAVINGS
	----- DOLLARS PER ACRE -----		
AVERAGE SAVINGS	\$8.55	\$8.65	\$17.20

Table 1. Total average dollar savings for variable rate applications compared to uniform rate applications (based on 60,000 acres of grid soil sample results).

Farmers Cooperative Presents Blue Jacket Award

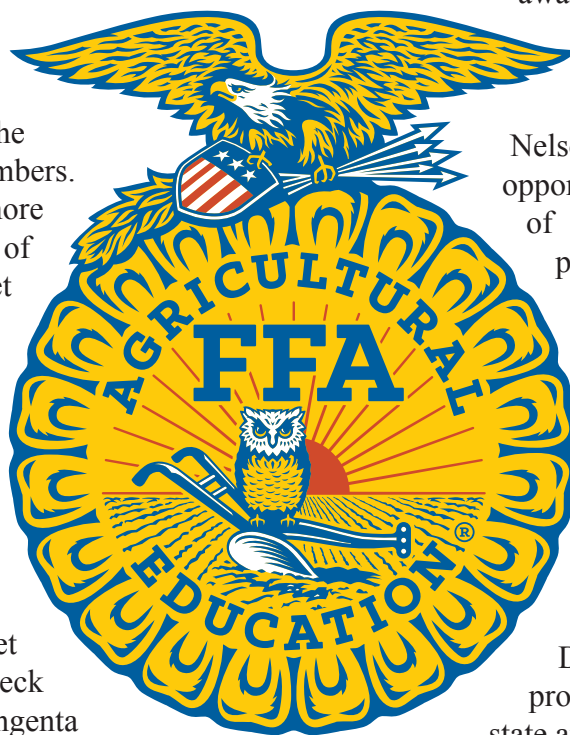


Dennis Kenning
Sales & Marketing Mnggr.

This year Farmers Cooperative participated with Syngenta in the FFA Blue Jacket Program Challenge through the National FFA Foundation. This partnership allowed the Farmers Cooperative to award an official FFA jacket to the Norris High School FFA and present the chapter with a check for

\$750.00. The blue FFA corduroy jacket is the most iconic symbol of the organization and worn only by members. The blue corduroy jacket is far more than “official dress” as it’s an icon of an American tradition. This jacket instills pride and responsibility to all members who wear them.

Syngenta challenged its retail partners this year to contribute \$2,500.00 to the National FFA Foundation. In acknowledgment of their contribution, a local FFA chapter of the retailer’s choice received an official FFA Blue Jacket and the chapter was also awarded a check for \$750.00. Craig Nelson, a Syngenta Sales Representative said, “Syngenta is proud to



partner with many of our retailers in supporting the Blue Jacket Program.” The jacket unifies members in a long-standing tradition and reminds the students that they are part of something larger than themselves.

The FFA Blue Jacket program was inaugurated by Syngenta in 2008. In the programs first year, they awarded 40 FFA Blue Jackets to aspiring students. The organization has since awarded a total of 110 FFA Blue Jackets to deserving members.

Nelson stated, “This is an outstanding opportunity to help ensure the future of agriculture across the U.S. while positively impacting local chapters and relationships with our leaders of tomorrow.”

“We are proud to be a part of the Syngenta Blue Jacket program. We understand that FFA represents our future patrons, employees and community leaders,” declared Dennis Kenning, Farmers Cooperative Sales and Marketing Director. The Farmers Cooperative proudly supports FFA at the chapter, state and national level.



Precision Ag meeting in Beatrice

MEETING YOUR FEED NEEDS



Kevin Wittler

Feed Dept. Manager

As 2018 comes to a close, we would like to thank each of you for the products and services you have allowed us to provide your operation this past year. We continually strive to cost effectively meet the needs of your operations and the expectations of you, our producer owners.

Please watch for your invitation to your Cooperative's upcoming producer meetings which will be held during January and February at a location near you. Attend and enjoy great food, short presentations, product specials and terrific door prizes from your different cooperative divisions as well as take advantage of our Spring and Summer Mineral booking program.

As we begin the Holiday Season, we want to express our appreciation for the advanced planning and ordering you were able to allow your feed mills last year at this time. Please attempt to place orders as far in advance as possible in order to allow your Cooperative Employees a much deserved holiday break with their families. Thank you in advance for your help in scheduling holiday feed needs and we wish everyone a Merry Christmas and a Happy New Year.



WANTED



**Young Producers & Spouses
for the 2019 Farmers Cooperative**

Young Member Retreat Sat., Jan. 26, 2019

- 1. Learn About The Cooperative Business**
- 2. Meet Other Producers & Couples**
- 3. Informational Only, No Sales Pitch**
- 4. Inform Producers About Your Company**
- 5. We Want To Know Your Opinion**
- 6. Free - No Cost To You & a Great Get Away!**

Includes: Meals, One Night Stay, Tour Of Memorial Stadium & Blue Bloods Brewery

**Contact Your Local Branch If Interested
★★★ Limited To 25 Producers ★★★**



MARKET REACTIONS

BUILDING A STRATEGY THAT GIVES YOU A DEFINED FLOOR.



Doug Lewis
Grain Originator

The finishing touches are being put on the challenging harvest of 2018 in the U.S. Lack of resolution to U.S./China trade dispute and good South American conditions are being monitored by the market place. The market continues to react to various news reports of talks between the U.S. and China. Given the rapid start to the Brazilian soybean crop, reports suggest exports may begin as early as mid-January. The China trade resolution or lack-

there-of will continue to be a wild card. If an agreement is reached and trade were to resume, the projections for USDA bean exports may be understated. Contrary to that, exports could be overstated absent any buying on the part of Chinese importers.

Pricing corn bushels that were delivered at harvest and replacing with deferred calls in May or July can be done for less than the cost of storage. The advantage to this strategy is it generates some cash and sets a defined floor with upside potential. July calls could be purchased for 11 -14 cents as of the first part of December. Drawback is one does forfeit the opportunity to gain in any basis improvement that may occur post-harvest.

Cash sales on beans delivered at harvest or sales in the deferred months for beans stored on the farm could be covered with March or May bean calls. May bean calls can be purchased for 20-25 cents.

Cash and futures markets in corn and beans are giving us opportunities to sell carry to later months at attractive numbers for bushels stored on the farm. It makes sense to lock the carry with a deferred cash sale, HTA or futures hedge. The HTA and futures sale leaves basis open for the opportunity to capture any improvement that may occur. There has been an improvement in basis levels on corn and beans since harvest. Call protection along with the sale or hedge gives us upside should the market move higher. A put strategy that gives us a floor in the deferred months could be used as well.

2019 Corn Crop

As of December 19, the market closed at 395 ¼. With option volatility being low, \$4.00 puts closed at 28 cents +/- and the \$4.10 closed at 34 1/4 cents. This protection looks attractive giving us over a year of downside protection with a strike price very close to current values. Current ratio of corn/soybean prices indicate we could see a shift to more corn acres next year. We could see a considerably higher world corn carryout number next year with an increase in production here and a good corn crop out of Brazil.



Filley agronomy test plot tour and customer appreciation



Nancy Oltmans teaching how flowing grain pulls you in at the Farm Safety show in Beatrice.



THE BATTLE

TO FILL OPEN POSITIONS CONTINUES



Taylor Collins
Human Resources

Many employers are faced with the tough question of how to fill open positions with qualified help. Companies such as Farmers Cooperative, develop methods such as hands on training, orientations, and other means to get new employees up to speed on the skills required for the functions of the job.

As a company, we take pride in looking for the individuals that don't necessarily have the skills from the beginning, but instead have the personality traits; such as willingness to learn, be on time, take responsibility in their performance, and most importantly have a desire to be in agriculture and support our local communities. We believe that the right person that fits your culture and company values can always be trained and will excel. However, the number of individuals looking for employment continues to be low, especially in Nebraska as well as Kansas. As of October 2018, the NE unemployment rate was at 2.8% while KS was at 3.3% which are both below the national average of 3.7%. That makes even getting

applications in the door to be fairly difficult.

Therefore, what do you do when there just isn't people actively looking for employment? The simple truth is to rely on the strong relationships and connections we have with our local communities. Word of mouth will always be the best way to find the people that fit your culture as a company. We ask our managers to help with the local recruitment of employees as they know the area

better than most. We also reward employees who refer someone to our company with referral bonuses. Our current

employee base knows what we are about and who is a good fit for the position that is open. However, it is not just employees that know all about us, it is also our producers.

Our producers know the type of customer service that is required to help their operation and they know the local area and community

members the best. This holiday season, as the New Year approaches and people

look for change in their lives, we hope to attract the top local talent to join a strong, rewarding company that will strive to take care of our producers' needs. Hiring can be a challenge in this labor market right now, but with our strong employee and customer base, we know we can overcome it.

**...ATTRACT
THE TOP LOCAL
TALENT TO
JOIN A STRONG,
REWARDING
COMPANY...**



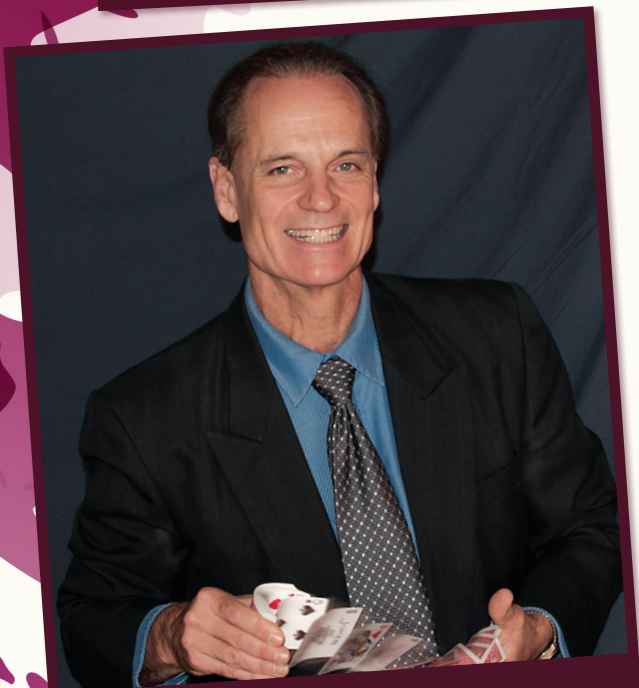
Mike, Taylor, Tony and Tyson at Southeast Community College in Beatrice for the Ag Management Expo

The Farmers Cooperative Presents

Ladies NIGHT

DINNER & ENTERTAINMENT

Thursday, April 25, 2019



Gayle Becwar

**Saline County Fairgrounds
4-H Building**

(13th & Tuxedo Road, Crete, Nebraska)

Doors Open at 5:15 pm

Event Starts at 6:15 pm

Performance by:

Gayle Becwar, Comedian/Magician

RSVP'S Required (Space is Limited)

Seats are Available from

March 1, 2019 - April 15, 2019

call 800-642-6439 or email at

sharre@farmersco-operative.com

Farmers Cooperative Investing in Our Owners' Success!

Working to Bring World Market to You



Dennis Kenning
Sales & Marketing Mgr.

Farmers Cooperative welcomes the opportunity to educate groups and organizations about our business and how cooperatives work. This fall Beatrice Area Branch Manager, Tony Hoffman was contacted by the Corn Board about hosting a possible tour group. Little

did he know that this event would actually be an International Trade Team from the Middle East. On Thursday, October 25th, at the Beatrice Grain Terminal, your cooperative hosted the Export Exchange Tour. This project is sponsored by the U.S. Grain Council and we hosted a National Trade Group from Saudi Arabia. The group included six people from the Middle East, plus

representatives with the Nebraska Grain Sorghum Board and Nebraska Corn Board.

Saudi Arabia imports 3.7 MMT of corn and 280 MMT of U.S. Sorghum. This makes Saudi Arabia the eighth largest overseas buyer of U.S. Corn and second largest buyer of U.S. Sorghum. In Saudi Arabia, the largest dairy, feed and poultry companies import corn directly. Saudi feed millers, major poultry companies and dairies are well advanced technically, and in some cases lead the world in dairies production. The team's purpose was to learn more about the U.S. marketing system and the logistics of grain movement.

One of our key parts of our presentation was to highlight the safe guards that are in place to insure grain quality. The tour group was also interested in the logistics of how we move grain into our facilities and rail system we have in place. We highlighted our four Union Pacific and three Burlington Northern Santé Fe grain loaders. We discussed the USDA Quality Grade and how this system is reliable and transparent. We explained the



procedures for grain entering the facilities and how grain is tested to meet those USDA Quality Grades. We also discussed that grain can be inspected a second time during company transfers. We highlighted the independent inspections that take place for outgoing grain loaded by rail. Finally, we stressed that company employees are trained to recognize these Quality Grades. The number one concern of these trade teams is grain quality; they want to be sure that the commodity meets the standard.

Following the presentation, Jason Lane demonstrated how he samples inbound grain. Tony provided the tour of the elevator and train loader.

I would like to take this opportunity to thank the Nebraska Corn Board and the Nebraska Grain Sorghum Board for including us in the trade tour. A thank you also goes to Tony Hoffman and Jason Lane for helping to conduct this tour.

Overall, this group showed a very high interest level in our ability to handle grain. We had very positive comments from the group and many expressed an interest in purchasing our grain. This is just another reminder of how the Farmers Cooperative is “Investing in Our Owners’ Success!”



NEBRASKA & KANSAS

Happiest Cities in America for 2018

Studies from Purdue have shown that money can help people become happier, but only to a certain extent. In fact, the happiest people in America, in terms of income, are actually those in middle and upper-middle class – not the millionaires living in Silicon Valley.

So, what is the magical combination of life experiences and assets that make people the happiest and more importantly, where do they live? According to Zippia, website to improve career options, 4 cities out of the top 5 are from Nebraska and Kansas. People often wonder if anything really happens in the Midwest other than farming. Obviously, something good, because Nebraska and Kansas offer some of the happiest cities in America!

1. Sioux Falls, South Dakota
2. Lincoln, Nebraska
3. Olathe, Kansas
4. Overland Park, Kansas
5. Omaha, Nebraska

The following criteria was used to determine where people are the happiest and none of the large metropolitan areas like D.C., New York, San Francisco or Los Angeles made the top 10.

- Being Well Educated (at least a bachelor’s degree)
- Having a Job (measured by the unemployment rate)
- Short Commute to Work (traffic, traffic and, more traffic)
- Low Cost of Living (saving for retirement)
- Having a family (on average getting and staying married, has a ton of happiness benefits)

The data was backed by science from the most recent 2012-2016 American Community Survey. You can review the top 100 at www.zippia.com



Farmers Cooperative
PO Box 263
Dorchester, NE 68343

STUDENT OPPORTUNITIES

Farmers Cooperative believes in the continued education in Agriculture beyond the high school level. Annually Farmers Cooperative allocates at least \$10,000 a year to numerous students in area schools. High school seniors pursuing further education and careers in the Ag Industry are qualified for these scholarships along with an active patron family member. Students demonstrating leadership ability to promote agriculture as a sustainable and reliable enterprise for economic growth of our area communities are encouraged to apply. Contact your school foundations, ag instructors or guidance counselors for additional information.

Being a part of the cooperative network allows students of active patrons the ability to apply for other scholarships. Each scholarship has additional and different

qualifications. Visit our website at www.farmersco-operative.com for application forms to review.

Farmers Cooperative offers agricultural internships to college underclassmen. The goal is to not only bring value to the coop, but also create value for the individual intern to help further their knowledge and experience in agriculture.

Each intern is paired with a mentor from Farmers Cooperative to share their insights on our industry. We offer a 12-week summer program as well as 10-week programs for students on the quarter schedule. Contact Taylor Collins, intern coordinator, tcollins@farmersco-operative.com. Farmers Cooperative understands the importance of youth in the agriculture industry and continues to invest in them with many opportunities that they can take with them for the rest of their lives.



www.farmersco-operative.com