

# Farmers Cooperative

## Cooperative News



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AUGUST 2016

### Investing In Our Owners' Success!

THANK YOU!

By Ron Velder, General Manager

Farmers Cooperative would like to welcome our new patrons from the Beattie Farmers Union Cooperative Association starting September 1st, 2016. Beattie stockholders voted to join Farmers Cooperative at the stockholders meeting in April. The additional Kansas locations that will be added include Beattie, Blue Rapids, Frankfort, Marietta, Summerfield and Waterville. Around 30 employees will be teaming up with our current Farmers Cooperative employees along with an additional 1500 patrons. There is lots of work to be done, but both staffs are moving forward to get all in place. *Welcome!*



Ron Velder

## New Assets



The Frankfort grain shuttle facility project is moving forward. The track is 85% finished and work is continuing with Union Pacific to have the switches tie into the loop, which is over 9,000 feet long and will hold at least 120 railcars. Three of the seven concrete tubes are finished and the million bushel bunker is close to completion. Work is just beginning on the 7,500 bushel grain dryer, which keeps us on course to operate this fall. This will allow us to dump and maintain 1.4 million bushels of corn. In August, McPherson Concrete will start on the west 684,000 bushel tube with another three to follow. Both truck scales are ready, in-bound and out-bound, along with a great start on the office which will be operational in September.

This grain shuttle will be the fourth Union Pacific location that can load 110 cars in less than 15 hours. Farmers Cooperative also has two BNSF locations that load shuttles as well. On any given day, we could load all 6 grain shuttle facilities or 660 cars totaling 2,640,000 bushels in only 15 hours! There are many moving parts which are managed by employees who are trained to make all areas work in harmony. We're excited about this new location and the additional markets it will bring to the area.

Farmers Cooperative is also investing for your success with another 630,000 bushel concrete tube in Odell, Nebraska, west of the current 500,000 bushel tank that was built two years ago. Cordova and Raymond, Nebraska each received a 500,000 bushel metal bin and new pits were added that hold at least 900 bushels to go along with receiving legs handling up to 15,000 bushels per hour.

In 2015, Farmers Cooperative had over 6 million bushels of grain on the ground. Weather conditions prevented us from picking up all bushels in a timely matter. The added additional grain storage of 1,630,000 bushels in Nebraska will make the 2016 harvest a little easier and a lot more efficient.

As the fiscal year comes to a close, at the end of August, all departments want to thank you for your business this past year. Farmers Cooperative continues to add additional value to your operations by adding grain storage as well as updating rolling stock at all branches. These are not easy times and we will continue to help all producers find ways that make your farming operations more successful and efficient.

## NEW PRODUCTION PLANT IN GENEVA

Work is well on the way for an anhydrous ammonia plant that will be operational around August 2017. Farmers Cooperative is a partner in Fortigen. This plant will produce around 34,000 tons of NH<sub>3</sub> with a storage tank on site, holding 20,000 tons. Farmers Cooperative will truck to our local branches in the western half of the trade territory. These are exciting times to be working with the Tetrad board! This will be a great asset for area producers of Farmers Cooperative.

# Troublesome Weeds

## A System Approach From This Point Forward

By **Scott Heinrich**  
Agronomy Sales  
Manager

At this point in the season many growers are asking themselves “what do I do differently next year to control resistant weeds in my fields?” We certainly, here at Farmers Cooperative are asking the same question. As we evaluate what worked well in 2016, there are a few concepts and different approaches to consider. Marestail/Horseweed, Waterhemp, and Palmer Amaranth are at the top of the list of troublesome weeds to control. Glyphosate, ALS, PPO, Dipheyll Ethers, and HPPD’s or more commonly used products like Roundup, Classic or Firstrate, Cobra, and Callisto or Laudis are not as effective as they were a few years back. Folks the tools in the toolbox are broken which is confirmed by the looks of some fields in the area. The thought of “the chemical companies with have a new product to solve the issues” is false in the short term. Dicamba is not new technology yet we are going to try and solve our current weed

problems with old chemistry. This is the reality of the state we are currently facing. No more silver bullets to weed control.

Now let’s talk about A System Approach From This Point Forward. I’m going to lay out a system approach to control our troublesome weeds. Following this system does not guarantee 100% weed control but it does provide the best case scenario for overall success under the current state.



Scott Heinrich

### Key thoughts to consider:

- A. Control weeds before they emerge or shortly after.
- B. If you think it’s too early to spray...you’re too late. Post at 21 days after planting.
- C. There is no such thing as a rescue treatment ...it’s a Band-Aid feel better application.
- D. Consider Liberty Link soybeans and follow The System Approach.
- E. Dicamba tolerant beans will need to be managed within The System Approach.
- F. Fall or Spring Tillage, narrow rowed soybean and corn, in-crop cultivation are all options.

- 1. Fall applied herbicide program.** Can be applied by Sky-Tech through an airplane as well.
  - A. 8-10oz Sencor + 16 oz of 2-4D #6. This will allow flexibility to plant corn or soybeans.

### 2. Pre-emerge and Post emerge herbicides for CORN.

- A. Many choices including Accuron, Lexar, Triple Flex, Surestart etc. Start clean with multiple modes and full rates.
- B. Follow with multimode of action and residual post products ie.. Halex GT + Dicamba, or Roundup + HPPD + Dicamba.

### 3. Pre-emerge and Post emerge herbicides for SOYBEANS.

- A. Authority or Sonic plus a grass herbicide like Dual.
- B. Follow with multimode of action and residual post products ie.. Flexstar + Dual.
- C. Plant Liberty Link soybean varieties and spray Liberty post emerge.

## ACCOUNTING



Stan Mitchell

### By Stan Mitchell, Chief Financial Officer

Reading an article in the National Society of Accountants for Cooperatives summer issue of The Cooperative Accountant entitled “Valuing the Cooperative Firm” I am reminded how unique the Cooperative business model really is. The distribution of profits through patronage refunds that are proportional to the volume or amount of business that you do with the Cooperative is a fundamental Cooperative principle. The “retained” earnings allocated to the members along with the unallocated reserves make up the Members Equity position on the balance sheet. For the August 31, 2015 fiscal year end the value or ownership of Farmers Cooperative was \$200,886,490 from an accounting perspective. What the article talks about is a way to truly analyze what value the Cooperative has based on future earnings, amount of

allocated equity and debt ratios. To accomplish this, the author offers over twelve pages of financial formulas that tend to make my eyes glaze over. What I would offer is that the real “value” of your Cooperative isn’t just the amount that is retained in your equity account but the value of having assets, services and products that serve the needs of our patrons. The employees and management staff of Farmers Cooperative work hard to “Invest in our Owners’ Success” and add value to your Cooperative.

*I would like to welcome the Beattie Cooperative patrons who will join Farmers Cooperative on September 1st.*

# Commitment to Skill and Longevity

As your Farmers Cooperative continues to grow and expand so does the need for quality employees. The need for skilled employees in all the departments of Farmers Cooperative continues to be a priority. Farmers Cooperative prides itself in the longevity of its employee base. At one time we added up all the years of experience currently in the Cooperative and the years dated back to nearly 500 years before the birth of Christ. That speaks to a lot of wonderful experience. The challenge now that we face is replacing that wonderful experience.

We would like to introduce two team members of your Human Resources team. Jeff Adams has now been with your Cooperative for a little over a year and Taylor Collins joined our organization

as of July 25, 2016. Jeff brings many years of banking experience and Taylor comes to us from a sales and marketing form. Their role in Human Resources will help us recruit, retain and develop a quality staff that leads us into a generation of growth and development. Both Jeff and Taylor office in our corporate office located in Dorchester, Nebraska.

If you or someone you know may have an interest in joining our staff of employees at Farmers Cooperative please have them get ahold of either Jeff or Taylor for more information. This Company will soon be over 60 year round locations and nearly 600 employees; you would be joining an amazing workforce. Our employees work hard every day to make doing business at Farmers Cooperative an easy and pleasant experience.



Jeff Adams



Taylor Collins



Ag Career Day, Tri-County Schools

*Welcome Taylor and Jeff to the organization and when you stop in any of our locations please show your gratitude to the hard working employees of your Farmers Cooperative.*

## LADIES NIGHT OUT!

Farmers Cooperative held their annual "Ladies' Night Out" on Thursday, April 14th at the Exhibition Hall in Tuxedo Park, Crete, NE with 430 guests in attendance. Chris Foree "the oil guy" was emcee for the event. A delicious meal was provided by Kerry's Restaurant & Catering of McCool Junction, NE. James Arthur Vineyard of Raymond, NE provided a wine bar for the ladies to experience and enjoy their wines. The ladies were entertained by Cassidy Hogan from Cortland, NE who sang several selections. Guest speaker was Rebecca Long Chaney from Elwood, NE who shared her presentation "Dare to Risk Life Change" which highlighted the trials & tribulations that she and her husband experienced on a cattle ranch in the Australian Outback. Beautiful Kalanchoe plants furnished by Victoria's Garden in Wilber, NE were given as door prizes. Thank you to everyone who attended the event and those who helped make it a success! Please watch your future newsletters for details on our 2017 "Ladies' Night Out".



Table of lovely ladies!



Chris Foree

Cassidy Hogan



Rebecca Long Chaney with daughters Rianna and Sheridan

## DECISION: 2017

*The Farmers Cooperative seed team would like to thank all of the producers that purchased seed from us this year. We look forward to monitoring the performance of our products throughout the rest of the growing season and hope for a bountiful harvest this fall. In this section we will briefly review 2016 thus far and provide information that helps finish out the seed season.*

As this year's growing season progresses at a rapid pace, it is very important to keep in mind the challenges that we have faced so far this year. By learning from some of the challenges, growers can incorporate decisions in 2017 that may eliminate or minimize these challenges. We once again dealt with planting delays due to the abundance of rain and cool temperatures in late April and the first half of May. Soybean seed treatments were a valuable component to establishing an early uniform stand in the unfavorable conditions that we had. Our lineup of seed treatment options covers a broad spectrum of diseases, insects, soybean cyst nematodes and sudden death syndrome. A second challenge that is still fresh on many producer's minds is the weed resistant issues that seem to be getting worse every year. In the next 2-3 years we will start to see many new seed technologies that will give us tools to help fight the weed resistance issues that we face today. We will cover some of these tools later in this update.



Brian Scherling

## FALL SEEDING / COVER CROPS

In early to mid-August our seed sales staff will be concentrating on our fall seeding season. We are ready to service fall alfalfa planting, with a full lineup of alfalfa varieties. We have access to multiple varieties of Roundup Ready and conventional products. Within these two types, there are various choices for those that are looking for a basic type of beef forage alfalfa or varieties that require higher management that will not only yield more tons as well as provide higher feed value.

Over the last five years the interest in cover crops has steadily increased each year. There are numerous reasons why cover crops are becoming more popular. Cover crops have been found to Increase soil health, improve soil fertility utilization, reduce soil erosion and break up soil compaction zones. For those producers with livestock, cover crops provide an excellent alternative for feed grazing options in the fall. There are dozens of cover crop ingredients that can be added to recipes that provide the values mentioned above. We will work one on one with growers to find the best recipe for what meets the needs of each situation. Some of the more popular products, but not limited to include; Winter/Cereal Rye, Radish, Turnip, Oats, Peas, Vetch, Triticale, Millet, Sudex and many more. Custom blends have been very popular as well. Farmers Cooperative also offers aerial custom application of cover crop seed as well.

## CREDIT

### Keeping accounts current is a sign of a healthy, well-managed operation



Rob Blahauvietz

By Rob Blahauvietz  
Credit Department Manager

Have you paid your account? The end of our fiscal year is August 31. At that time, the cooperative will have its books audited to determine how financially successful your cooperative has been the past year.

The auditors will look at our accounts receivable to see if we are collecting accounts in a timely manner. It's a bad reflection on the cooperative's operations if accounts are slow, old, and deemed doubtful.

According to Farmers Cooperative Credit Policy, **there should be no accounts receivable over 60 days old.** All purchases made on credit during the month are due in full by the end of the month following the statement date.

Following the Credit Policy will help you avoid paying finance charges and will help your cooperative's financial strength and stability. **Please pay your July statement before August 31.**

*Thank you for your cooperation.*

## NEW IN 2017



**Credenz** – This is a relatively new brand of Soybeans from Bayer Crop Sciences. The Credenz lineup specializes in the Liberty Link technology. In 2016 we had a very limited launch to the Credenz Liberty brand. However, in 2017 we

will be ready to service the needs for the Liberty Link soybean market. Obviously, Liberty Link soybeans in not new to the industry, but with the issues of weed resistance mentioned previously, it is becoming more popular as another tool to plant in fields to help combat weed resistance. It is by no means is a silver bullet option, but we have recently had very good luck controlling our troublesome weeds by using the systems approach with the liberty technology.

**New Soybean Technologies** – Two industry technologies have been patiently waiting over-seas approval for a number of years now. The Enlist technology will be tolerant to 2,4-D and RR2 Xtend soybeans will be tolerant to the Dicamba herbicide family. As of July 22, 2016, the RR2 Xtend technology has obtained all necessary approvals on the seed technology. It is currently still waiting for the herbicide portion of the technology to be approved. Both the Enlist and Xtend platforms will add value for growers battling tough to control weeds. Please stay tuned this fall and winter to see how Farmers Cooperative will incorporate these systems into our lineup, pending full regulatory approval from all markets.

As mentioned earlier, thank you once again for your business this past planting season. We look forward to earning the right to be your trusted seed advisor in 2017!! Please visit or call any of our local Agronomy branches to learn more about the benefits of purchasing seed from Farmers Cooperative.



**NuTech Seed** – We are pleased to announce our new partnership with Farmers Cooperative and NuTech Seed.

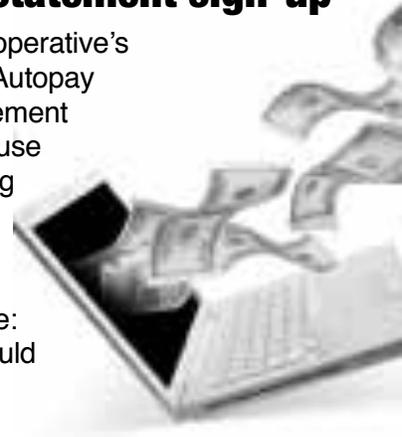
NuTech will bring a diverse lineup of hybrids and varieties to our already vast lineup of industry leading brands. They bring a strong package of genetics coupled with technologies from Monsanto, Syngenta and Dow. NuTech will help fill some genetic gaps in our current seed lineup.

- One area of emphasis is the Conventional corn market. There are currently local food grade markets demanding acres of Non-GMO corn. NuTech has a very deep lineup of conventional hybrids that will work very well in our trade territory.
- The seed industry as a whole has adopted the RR2 soybean technology over the last number of years. NuTech has done the same, however they still offer a wide range of Glyphosate Tolerant (RR1) soybeans to the segment of producers who do not wish to plant the RR2 technology soybeans. They also offer the Liberty Link technology in some of their varieties.

### FC AutoPay

## Simplify your life with electronic payment program and e-statement sign-up

Account information is an important communication we provide to you. Farmers Cooperative's focus is to enhance this experience in a timely, convenient and secure manner. FC Autopay gives patrons the option to have their account balance automatically paid. Your statement balance will be deducted from checking/savings account using Automated Clearing House (ACH) on the 15th of each month. No more writing checks, missing discounts, buying stamps or running to the post office to pay your bill. E-Statements are another way to create peace of mind when you store your financial information securely. Enjoy less paper clutter and become eco-friendly along with monthly transactions summarized by category on your account. Authorization forms and sign up details are on our website: [www.farmersco-operative.com](http://www.farmersco-operative.com). If you are interested in signing up for FC Autopay or would like more information please contact Brian Bohling in Dorchester at [bbohling@farmersco-operative.com](mailto:bbohling@farmersco-operative.com)



# Veterinary Feed Directive – VFD



Kevin Wittler

By Kevin Wittler  
Feed Department Manager

I would like to take this opportunity to welcome the Beattie Farmers Cooperative employees and patrons to Farmers Cooperative.

We welcome the opportunity to listen and learn about each of your individual operations and the products and services which you request to most effectively meet your needs. Farmers Cooperative Species Specialists are available to assist with the nutritional and production goals you have for your livestock and look forward to creating mutually beneficial long term relationships.

Your Farmers Cooperative Feed Team wishes to again remind you of the expanded Veterinary Feed Directive “VFD” Regulation which becomes law on January 1st 2017. A VFD is a prescription issued by a licensed veterinarian within the context of a client-patient relationship. The largest use medications locally which will require a VFD are Chlortetracyclines, Oxytetracyclines, Lincomycin, Neomycin, Penicillin, Sulfas, Virginiamycin and Tylosin. This is by no means a complete list and several name brands are registered that fit into these product categories. Additionally, production uses such as growth promotion and feed efficiency will no longer be allowed on any VFD covered product. Your Feed Team is available to assist you in compliance and answer questions you may have, however the VFD must be issued by your veterinarian and upon rule implementation we must have a current VFD in order to manufacture and deliver your order.

**DON'T WAIT... BE READY!**

**NEW ANTIBIOTICS RULES**



Early fall is a time when many performance – robbing stresses face your cattle. Stocker calves seem to come head on with challenge this time of the year. Forage quality has dropped steadily, as has mother’s milk. Weaning, shipping, and sale barn stress can induce disease – specifically coccidiosis, shipping fever, scours, liver access and bloat.

*Your cooperative’s starter, conditioning and/or stress care feeding programs are specifically designed, formulated, and fortified to:*

- Generate optimum feed intake in stressed animals.
- Stimulate rumen microbial growth and health in young stressed calves.
- Enhance feed efficiency.
- Accelerate weight gain to stimulate overall performance.
- Build more metabolizable energy per pound of feed consumed.
- Control/combat diseases including those mentioned above.

*For details on the program that best fits your operation please contact your Beef Specialist or nearest location.*

As of this printing fall harvest is just over the horizon and before long area corn fields will transform into stalk fields. With a little help from Mother Nature and some supplemental nutrition we should be able to winter these cows effectively. Your Cooperative offers many different protein and energy sources to meet the nutritional needs of your livestock. Delivery systems range from blocks and cubes to tubs or liquids, whichever fit your operational needs. Your Cooperative will once again offer a fall and winter cattle feed booking program. Please watch for this upcoming opportunity and realize additional savings on your fall and winter nutritional needs while supplies last.

*We want to thank each of you for the products and services you have allowed us to provide your operations. We continually strive to cost effectively meet the needs of your operations and the expectations of you, our producer owners.*

# Much more than just Propane

By Roger Kreifels  
LP Operations & Compliance

When you buy your propane from Farmers Cooperative you get much more than just propane. You get a commitment to quality service and safety that very few companies can match. All of our employees that deliver to, or service your propane system are certified for the tasks they perform through "CETP" which is a nationally recognized training program for the propane industry. In addition to being certified, we take it one step further by having our delivery drivers complete the refresher training every year at the beginning of each heating season, rather than the required every three years. Our drivers have over 160 years combined experience with an average of just over 12 ½ years each. That's a lot of tromping through the snow and cold to keep you, our customers, warm in the winter!

In addition to our dedicated delivery drivers, we also have a service department that is the envy of our competitors; so much so that some have tried hiring them away from us. There are propane suppliers that provide absolutely no service beyond delivery of propane and for some this includes a total disregard for the safety of their customers. Farmers Cooperative has three full-time service technicians that are 100% dedicated to doing service work only. Although they do not work on the gas utilizing equipment itself, they are qualified and licensed to install or repair every part of your piping system from the tank all the way to the end use appliance. Over the years they have found and repaired hundreds of leaks in our customer's systems most were very small, but many could have had dire consequences if they had gone undetected. For new propane gas piping systems, they've installed everything from short lines for the addition of a new gas appliance, like a cook stove, to almost two miles of total line, including over 80 different gas utilizing

appliances hooked up to a single system. No one in this area is more knowledgeable than our service techs regarding the proper sizing, pressures, materials, and who are up-to-date on the newest regulations. A vendor (whom we buy parts from) once told me that there have been times when he is explaining techniques or products to other companies, he lets them know that Farmers Cooperative is doing it, he has been told more than once that "If those guys at Dorchester are doing it, it must be ok so it will be ok for us too."

At our call center we couldn't ask for a better group.

*Did you know that the  
800-473-4579 number  
is also a 24 hour/365  
day a year after hour  
emergency number?*

We are extremely fortunate to have very friendly, knowledgeable and professional people that know the right questions to ask to make sure your order is correct and scheduled to be delivered in a timely manner. Did you know that the 800-473-4579 number is also a 24 hour/365 day a year after hour emergency number? It does initially

go to a recording after hours, but if you have an emergency situation, you push "1" and you are automatically connected to a live operator, which means there's no leaving a message and hoping someone gets back to you.

If it sounds like I'm bragging, I am. I wouldn't trade a single one of our employees for anyone different. When you are deciding on who you want to be your propane supplier, ask yourself the following questions;

"What am I all getting?"

"Is it a company that only delivers propane and provides no other service?" (in some cases not even a concern for the safety of their customers)

"Is it a company that is trained, experienced, and prepared to take care of any problem you may have, and that will always put your safety ahead of the sale?"

## BIKING ACROSS KANSAS

On June 8th the Pony Express in Hanover sponsored a SAK stop for the BAK (Biking Across Kansas). Over 700 riders used the west building on the property to escape the heat and rehydrate. The cheerleaders from Linn, KS sponsored the concessions. Farmers Cooperative and Hunt Brothers Pizza gave away water bottles to all participants. We did not have chairs or tables set up but as you can see we improvised and used 5 gallon buckets of oil. How's that for improvising and repurposing, Chris Foree "the oil guy".





Dale Hayek

## Harvest Space

By Dale L. Hayek  
Grain Department

At the beginning of August, we got a much needed rain in our territory. The majority of the corn belt is experiencing ideal weather conditions. The entire nation got their crops planted this spring with no 'prevent planted' areas due to flooding. Rarely do we see as many acres utilized, and so few areas not under stress or drought conditions. There are some drought areas, but minimal in the big scheme of US production. Some preliminary forecasts have predicted record yields this year in both corn and soybeans. It's not in the bin yet, but needless to say, this will be a big Fall harvest. It appears we will have low prices throughout the fall with all the carry out bushels from last year and the big 2016 crop.

One of the few positives about low prices, unless you're an end user, is that it brings about demand. With South American production issues and their reluctance to sell, it has created some export demand for the US; both old crop and new crop. It looks like China will be the driver for our soybeans again this harvest. Also, Roundup Ready 2 Extend Soybeans have been approved for China and EU, so their marketability won't be an issue this harvest. The low corn prices have also resulted in good margins for ethanol production which continues to be a great outlet for our corn. The failure of Abengoa continues to work through the court system. Time will tell on the York plant, as to the amount of money recouped for its creditors and the viability in the future for the eventual owners.

We continue to ship bushels, making room for the Fall crop. The Union Pacific continues to be our best market for corn, and we are shipping out of Plymouth, Jansen, and Hanover

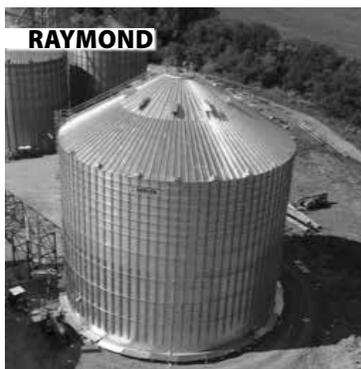
aggressively. Last year's investment in Plymouth's new load-out system is proving to be a tremendous asset. This year's investments in Cordova and Raymond, (both getting new 500,000 bushel steel bins) and the new concrete tube in Odell of 630,000 bin will be much needed.

The one crop that we will be forced to carry into the Fall is wheat. The demand for wheat is pathetic, basically displacing corn as feed wheat in certain corridors. Our yields were tremendous, however our protein was not. At these levels, farmers are reluctant to sell, and rightfully so, since we have had LDP's for about 30 days. Wheat production areas in Kansas will be challenged for space this Fall with all the wheat and Fall crops coming in.

Frankfort site continues to move forward and we are in the process of getting it staffed. Jeff Polson came to us from the UP and will be the shuttle loader superintendent. Jeff and his family live in Marysville and are familiar with the territory. Kelley Brees will be the grain originator. He and his wife recently moved to Frankfort and are excited to meet the local farmers. We are excited to have them on staff

and hope our Kansas producers get to meet them soon. We plan on filling the bunker system this fall, along with the three smaller concrete tubes. This should accommodate approximately 1.4 million bushels of space.

We will be challenged as an industry to accommodate the on farm bushels coming to town and the big fall crop. We are still offering free delayed pricing but remember, if not priced by September 30th, there is a 10 cents fee, then the bushels are assessed a daily rate thereafter. This time of the year, with little opportunity for a price rally, you may be better selling, or placing on our traditional delayed pricing program (assessed a daily rate) and not the 'free delayed pricing' program (subject to the 10 cent fee).



## TRAINING



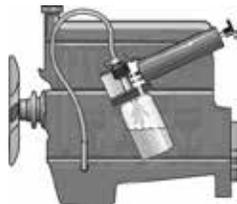
## Preparing for Harvest

Grain grading classes were held in May and June. The training was provided by Lincoln Inspection Service and Kansas Grain Inspection Service. Hands on training, at various locations, using specific sieves and pans for all commodities was demonstrated and experienced to properly grade grain.



# The Best Bottle on the Shelf

Grabbing a bottle off the shelf is maybe the best thing a guy can do to help cope with the ups and downs of running heavy machinery. Before you get the wrong idea, the bottle I'm talking about is most often empty and unwanted; and when it's full only holds about four ounces of nasty stuff nobody wants to drink. For the heavy diesel equipment owner seeking comfort and peace of mind, the best bottle on the shelf might very well be the oil sample bottle.



Regular subscribers will have read about the value of used oil analysis in this column before...perhaps many times before. Yeah, I'm sick of hearing from me, too. So let's hear from some of the most experienced heavy equipment guys I know. These guys are all friends of mine; operating all kinds of heavy diesel stuff--tractors and combines, crop sprayers, enormous scrap metal shears, gigantic rock crushers, large fleets of semis, dozers, excavators, cranes and scrapers. Maybe their input will show just how much good a fellow can get out of a four ounce bottle from time to time.



Chris Foree

- Bryan Uehling, Supervisor for Alter Metal Recycling in Lincoln:** "For several years now we used the oil analysis service that Farmers Cooperative offers. Some of the problems we have been able to identify and repair are: High soot content from a broken exhaust pipe, dirt-contaminated gear oil in planetaries causing excess wear, a crane swing box that needed rebuilt, plugged filters, and signs of an engine failure. They can also measure the size of dirt and particulate matter in your hydraulic oil so you can know if your filters are cleaning well enough to prevent premature wear on your pumps."
- Larry Chapman, Farmers Cooperative Operations Manager:** "We're definitely saving money with oil analysis. Safely extending drain intervals saves thousands of dollars over the life of a truck. We're also catching a lot of problems before they become catastrophic, like air cleaner leaks allowing abrasive dirt to get in the crankcase oil, fuel dilution warnings that helped us replace bad injectors prior to failure, and coolant contamination that identified head gasket leaks in time to fix before something really broke."
- Matt Steuk, Farmers Cooperative Truck Dispatcher:** "Oil analysis has allowed us to better evaluate and track performance of new equipment coming in. I think that guys are more aware of when they need to service equipment because they want to see that next sample result. Plus, the program has tipped us to issues in motors that we otherwise would not have known about until a major failure. Sampling has also allowed us to use the same engine oil year after year with confidence, because we know how well it is performing in our equipment."
- Bill Holland, Parts & Service Administrator, Gana Trucking and Excavating:** "A detailed analysis of a sample of engine oil is a valuable preventative maintenance tool. Using the program offered by Farmers Cooperative, we've been able to reduce repair bills, track the history of a unit by following previous sample data, increase the life of a truck or piece of equipment, reduce non-scheduled downtime, and reduce catastrophic engine or component failures. In the case of an engine or component failure the analysis can help us with a starting point in regards to bearing wear and fuel or coolant contamination in the oil. The communication between the lab, Farmers Cooperative, and us is superb. The reports are followed up on by Farmers Cooperative's in-house Oil Monitoring Analyst, and the help that he provides us is invaluable."



Well, there you have it, from guys who know what they're talking about. So before you crank up the combine for harvest, and for sure before you put your machines to bed in the shed this winter, stop at your nearby Farmers Cooperative location and ask someone to grab you the best bottle on the shelf. They might look at you funny at first, but after you explain they'll know what you mean. When you send a sample to the lab, we're automatically copied in to your results. So if you ever have a question about the best ways to take advantage of this marvelous tool known as used oil analysis, ask for me at 402-742-3311 or email: [FC-LubeOrder@farmersco-operative.com](mailto:FC-LubeOrder@farmersco-operative.com) and I'll be happy to help you get started.



Brian Bohling

Farmers Cooperative is a user-owned and user-controlled business in which benefits are received in proportion to use. However, it is not always possible for member-owners to directly make all cooperative decisions. That control is preserved by members electing directors to represent them in much of the operation of the cooperative.

The board of directors occupies a key position between members and hired management. They represent the members as users of the cooperative's services, and consequently must be informed about the needs and directions of the members.

Each year Farmers Cooperative holds elections, in December, for open positions within general districts or overall open seats. With the addition of Beattie Farmers Union Cooperative Association and the Frankfort load-out facility, Kansas will have at least one representative for the area. Farmers Cooperative's nominating committee is always looking for local patrons that show leadership skills on their farm and local community.

Leadership – *the action of leading a group of people or an organization.* Peter Drucker famously stated that when “management is doing right; leadership is doing the right things.” Great leaders possess social intelligence, a passion for change, and above all, a vision that allows them to set their sights on the things that truly merit attention, which is not a bad skill set for the rest of us, either.

Farmers Cooperative strives to continue the education of all directors with the help of Nebraska Cooperative Council. Annually the council puts on a director certification program (DCP). DCP is designed to accelerate the process by which directors become active, effective board members. Through DCP, local directors will enhance their abilities to become a contributing representative serving members effectively.

The ultimate control of any corporation is legally in the hands of the board of directors. In a cooperative, however, the board is responsible to its members as users rather than to investors whose first objective is to maximize profits. Taking the time to listen to member-users, learning the issues, understanding the responsibilities of directors and how their role differs from other key people, and making decisions based on what is in the best interests of the membership, will allow you to serve members effectively.

Individuals considering being a director should weigh the significant impacts they can have beyond the boardroom including the communities in which the cooperative, its members and employees are located. The nominating committee for Farmers Cooperative will be contacting candidates in the near future for this year's ballot.



## ENERGY MARKET UPDATE

Historically high inventory levels across the entire energy complex have recently been driving energy prices lower. The last several weeks have been seeing lower highs and lower lows. For the most part the shale plays are still producing even though expansion has been put on the back burner due to the lower prices. Canadian crude is also ramping up again after the wild fires shut a lot of that production off for a time. Demand across the globe is reduced due to economic issues in China and the Pacific Rim. The weekly Department of Energy inventory report on July 20th showed U.S. crude stocks at 520 million barrels compared to 468 last year and 375 for the five year average. For heating oil {diesel} we had 153 million barrels this year, 142 last year, and 130 for the five year average. Gasoline currently stands at 242 million barrels, 215 last year and 215 for the five year average. {For reference a barrel is 42 gallons.} Propane is not any different inventory wise, with current U.S. inventories just short of 88 million barrels almost identical to last year at this time. The five year average is about 65 million barrels. The Midwest inventories of propane that

are most meaningful to us that is stored in Conway Kansas since we don't really have access to the Gulf Coast inventories, currently stand at 28 million barrels compared to 25 million last year and 22 million for the five year average. We could possibly see some of the Midwest propane being shipped to the gulf for export as the arbitrage now makes it profitable to do so.



Tom Garner

In the short term I would expect energy prices to remain in a downtrend. Obviously world events and weather events such as a hurricane can impact prices quickly, but the fundamentals suggest steady to lower for pricing in the near future.

*I would like to add my welcome to the members and employees of the Beattie Cooperative to Farmers Cooperative. We strive to serve our members with quality, superior service and value in everything we do.*



*Jake Kunc*

## Heat Stress in cattle

Mother Nature presents an array of challenges to beef producers with every season. Fortunately, as producers, we can help alleviate some of the environmentally induced strain on our beef herd throughout the year with tools. A few examples include windbreaks and shelter in the winter, a solid mineral program to help with eliminating grass tetany during the spring or fall, and even effective pest control to keep flies to a minimum in the summer. Unfortunately, heat is one of the issues our animals deal with this time of year and producers can be extremely limited in how they can help their animals before it's possibly too late. The effects can be costly reducing weight gain in our calves, breeding efficiency in the cows, and possibly leading to death throughout all stages of life. During the hottest months of the year, most operations are right in the middle of their breeding season or early pregnancies. In high heat, similar to humans, cows will attempt

to reduce their body heat by reducing any unnecessary physical activity which lessens the obvious signs of being in heat. This can make heat detection difficult. For cows that are already bred, developing pregnancies are vulnerable to heat stress due to the cow's internal temperature rising. A stressed cow will try to thermo-regulate her body, reducing blood flow that is supporting fetal development potentially leading to abortion. We must not forget about breeding bulls and the effect heat may have on them. Reduced physical activity caused by high heat will not help in getting cows bred, in addition to semen quality possibly being compromised in this situation also. Generally we think of frostbite problems affecting breeding bulls in the winter, but heat stress can also cause similar fertility problems. It may take several weeks for semen quality to resume for successful breeding. Economically speaking, the normal cow-calf operation does not have time for this happen. To conclude, here are a few common ways of trying to care for our animals during this heat wave for those cattle that are in the dirt lot or on grass:

- Move/handle cattle early in the day while it's still cool eliminating any unnecessary stress;
- Consider the amount of shade available and length of time it takes for animals to get to available water;
- Provide good, clean water in ample supply;
- If possible, provide a sprinkler to help cool animals or ground cover such as bedding with straw if in a dirt lot area where there is air movement (straw will not be as absorb heat as black dirt will);
- Provide salt and a strong nutrition program to help eliminate further stressing animals during this time.

Please contact your Farmers Cooperative branch or feed specialist on thermal regulating products. Such as Tasco®, Thermal Care® from ADM®, and Supermix Beef Abate® from Purina® To maximize your profit.



# Extensive Remodelling in Fairbury, NE

By Brent Colgrove  
TBA Manager



Brent Colgrove

This year has been a very busy year for your Farmers Cooperative tire department. As many of you know in June 2015, Farmers Cooperative bought The Pony Express Truck Stop just south of Hanover, KS, and I am happy to report that the location is doing well. We sell Cooper, Mastercraft, Samson, Yokohama, Titan, Goodyear, Mitas, and Hankook

tires. If you don't see the brand you want give Tyler a call he can usually get them in overnight.

We are adding employees to help Tyler and John serve you better. I want to thank everyone who is supporting this location as it has been a good move for your Cooperative. The Pony Express Service Center not only offers tire sales, they do Kendal or Cenex oil changes, as well as, light duty mechanic work such as brakes and belts. The Truck Stop offers Cenex premium diesel fuel and premium gasoline with an ethanol blend. The Pony Express carries pop, candy, food and merchandise for your quick stops and a restaurant for you to enjoy at your convenience. When you are in the Hanover area stop by and check it out!

After many, many years of being just south of Fairbury, NE, our Farmers Cooperative Car Care Center has relocated to the former Canning building, after an extensive remodel. The Fairbury Station and Agronomy employees tore down and built walls, cleaned, painted, and moved everything to create a very nice facility. This new building has 2 drive-thru truck/tire bays, 2 open oil change hoists, a Hunter alignment machine, an inviting waiting area and a huge tire/oil warehouse. Just like

The Pony, we sell and repair tires, do light duty mechanic work along with Kendal and Cenex oil changes. Stop by and see our new facility!

Fall is right around the corner and so is harvest. Make sure you take time to look over your combine and your truck/tractor tires, before you go to the field to save time. Look for cracks, cuts or abrasions in the sidewalls and don't forget to check your air pressure. Several tire failures are caused by low tire pressure. When a tire gets low it will be unable to carry the load, heat up, break down and eventually blow out. If you see chords anywhere on a tire, chances are it needs replaced. If your tires are up and have been up all year but you can't remember the last time you checked your air pressure, your tire is low and will need to be serviced.

When you get done inspecting your tires this fall, you may need new tires. Both Mitas and Titan/Goodyear are once again offering a rebate on tractor or combine tires. You can receive \$100 back per tire from either company on any radial farm tire bigger than 30 inches. If you need tires for your combine grain trucks or carts, this is the time to get them. We were able to beat the price increases and have stocked our warehouses with truck tires. Brands that we carry include Samson, Firestone and Yokohama. Due to the Tariff's being placed on truck tires imported into this country by The Department of Commerce, we will see a price increase of up to 20% this fall. You can avoid the increase if you call or stop in today to get yours purchased.

Lastly, I would like welcome the Beattie patrons and employees to our Farmers Cooperative family. We look forward to meeting all of you and serving you to the best of our ability here in the tire department.

*See you next time and thanks for your support.*

OUTREACH



*Supporting the Cattleman's Ball, Cure For Cancer*



*Support to SCC Animal Science Program*

# "Investing in our Owners' Success!"

## It's more than just a slogan.

**By Dennis Kenning  
Marketing Director**

We have all heard the popular slogans or taglines that companies use. I bet most of you remember these slogans and the brand name that goes with it. Which company used the tagline: "Just Do It", or "Got Milk", and how about, "It Melts in your Mouth, not in your Hands?" Yes slogans are planted in our minds and we remember the company that goes with each slogan. Webster says a slogan is a catchy phrase or series of words used to help consumers remember a company, brand or product. For Farmers Cooperative, our tagline is something more than that. "Investing in our Owners' Success" is what we truly believe and what we strive to live up to.

The Cooperative system is a very unique form of business because as a customer you are not just a buyer or seller but an owner of the company. Farmers Cooperative owes it to the owners, to do the best possible job and invest in those activities that will help our owners become successful.

First, The Farmers Cooperative invests in you by trying to turn a profit and then return the profit back to the owners. Each year we do this in the form of dividends paid back to you the patron. Last year alone the Farmers Cooperative paid out cash dividends of \$4,573,000 back to the member owners. Another \$4,573,000 was deferred for future payment. To stay on track we have implemented a revolvment, age 65 & estate program for future payments.

Second, the Farmers Cooperative invests in you by making sound business practices. When working with our suppliers, our management staff attempts to negotiate the best deals or greatest value for you the owner. These management practices include investing in those items that help you the producer. Our company is recognized in the business world as functioning the way cooperatives were intended to work. Our Cooperative is solid, down to earth and operates in the best interest of our members.

Third, Farmers Cooperative is Investing in your Success by investing in facilities that have a benefit to you, the producer. For example, we recently added Agronomy Buildings in Raymond, Herkimer and Burchard. We have increased grain storage at Cordova, Odell and Raymond. In the grain world, it's about having that ability to move grain to the larger markets. Most of you know about our new Grain Loading facility located in Frankfort, KS. This will provide a much needed Grain Shuttle

loading facility on the Union Pacific Railroad. The facility will be fully automated and will have the ability to load 110 rail cars within 8 - 10 hours.

Fourth, Farmers Cooperative is investing in you by upgrading and adding equipment and technology. This investment in equipment allows us to serve you in a timely manner. We are constantly improving our fleet of trucks, trailers, sprayers, and tenders. Much of this equipment is put into service using some of the most modern technology. Technology such as variable rate application, GPS and auto shut-off booms will save the producer money because it's getting the product where it's needed without over application. Our Agronomy Centers now have 11 Certified Automated Seed Treaters that apply chemical based on product standards. The Feed Department recently added a new Pelleting Machine in the Beatrice Mill. Some of our Grain Branches have both in-bound and out-bound scales. These scales allow producers to get back to the field quickly.

Fifth, Farmers Cooperative invests in you by providing qualified, well trained personnel. We attempt to recruit the best people for the job. Each department holds training sessions so our employees can better serve you. We require that our employees be certified for their specific job or task. We want your operation to do well, so it's important that our staff be well trained on our products and services.

Finally, the Farmers Cooperative invests in you by providing you with the best most accurate information and solid advice. Our departments work to provide you with the best information about products, trends, safety, and regulations. Activities like Field Plots allow producers to see the differences in varieties, fertilizer, or crop protection. We attempt to design our Producer Meetings programs with relative information and important updates. Wesley Hedges, in Precision Ag, has provided producers with free trials of Climate FieldView so producer can decide if that program fits their operation.

For many companies, slogans are just a way to gain brand recognition, popularity, or sell more products. For Farmers Cooperative it's more than that, because we honestly believe in our slogan. We try to live up to "Investing in Our Owners' Success" by providing Dividends, Sound Business Practices, Facilities, Equipment, Trained Personnel and Solid Advice for you the producer.

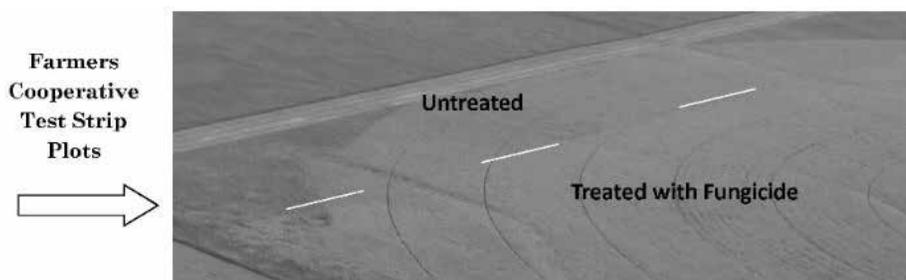
# 2016 FC Agronomy Newsletter

This email based newsletter provides weekly updates of crop status and condition, weather, events, agronomy, and agronomic tools. Sign up by sending Wesley Hedges an email at [whedges@farmersco-operative.com](mailto:whedges@farmersco-operative.com). Below is a preview of our newsletter.



## Farmers Cooperative SkyTech Aerial Fungicide Application

- Insure Plant Health
- Maximize your yields
- Powerful disease control



## Contact Farmers Cooperative SkyTech Aerial Application

Fairmont Branch: 888-230-9122

Fairbury Branch: 800-950-3378

Ready to Serve You!

## Servi-Tech In-Season Updates:

7.6.16 Week 8

Corn: V16-Silking



Corn has continued to move quickly as it has for the last 2 weeks. Things continue to stay busy as we enter peak water usage and post tassel fungicide applications will be starting up. Corn diseases showed some early movement in the plants early this season, but with the hot temperatures conditions have been great to fend off these diseases. A lot of fungicide recommendations will be on corn on corn acres where the heavi...sign up to read more!

Sign up by sending Wesley Hedges an email at [whedges@farmersco-operative.com](mailto:whedges@farmersco-operative.com).



## 2016 Precision Ag Mini Trials

Farmers Cooperative is proud to announce a series of Mini Trials revolving around decision ag technology. The Mini Trials are designed to introduce tools that we feel will help you make more informed decisions on your farm.



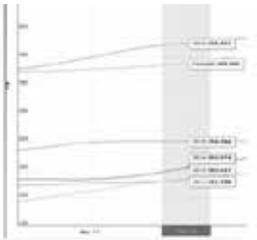
### Climate FieldView™ Plus

- Do you want your planting and harvest data at your fingertips?
- Plan, analyze, and make decisions while you're still in the field planting or harvesting.
- Check with us today to see if your equipment is compatible.



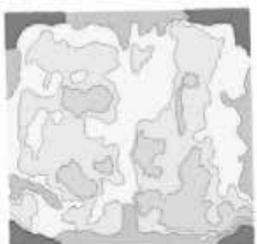
### Climate FieldView™ Pro

- Track plant available nitrogen throughout the season.
- Monitor in-season field health by viewing satellite images of your fields on your smartphone, tablet, or computer.



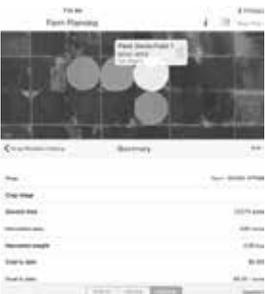
### R7® Tool

- Monitor day to day changes of your crops based on daily satellite imagery.
- Track actual and forecasted ET, GDU, and rainfall totals.



### Planting and Harvest Maps/Reports

- Do an in depth analysis of your fields using your data will prove to be beneficial.
- After planting and harvest we can generate maps for each field and reports of pertinent information recorded during these operations.



### Farm Planning

- Is planning/recordkeeping on multiple fields, crops, inputs, and operations a challenge?
- Our solution is a tool that allows you to track and report on all plans and records from year to year.

Contact: Wesley Hedges // 402-239-3749 // [whedges@farmersco-operative.com](mailto:whedges@farmersco-operative.com)



**Farmers Cooperative**  
**208 West Depot**  
**Dorchester, NE 68343**

**Address Service Requested**

**Check us out on Facebook!!!!**  
 Go to our Facebook page and click on Like to be updated on new photos and company news.  
<http://www.facebook.com/FarmersCooperative>

**COMMUNITY**



*Top Left: Community Celebrations & County Fairs, Diller Parade;      Top Center: Kids Farm Safety Camp, Tecumseh*  
*Top Right: Supporting Local Food Banks;      Bottom: Conducted Young Member Conference, Lincoln*