

PRO-AG NEWS

Winter 2018 Newsletter

In my last newsletter article I was optimistic that we would have a harvest season similar to 2012. As it turned out, it was much closer to the harvest of 2017, when we had excessive rain in September and October. A fair amount of soybeans didn't get harvested until Thanksgiving week. As I write this newsletter, the corn harvest is still going on and will continue into December, similar to a year ago.

When the calendar changed to December, we started preparing for our year end. This is a very busy time for us, as each location must do a complete inventory of their merchandise. This is time consuming but necessary to ensure an accurate audit. After inventory is completed, a board member is assigned to each location to spot check the inventory for accuracy. After that is completed, it is turned into the main office. Then at the end of December, our auditor goes to the locations to verify the feed inventory – mainly spot checking the high value items. Our fertilizer, crop protection and seed are verified on July 31st with the same procedure.

On the grain side of the business, we have an independent grain measurement company come out in December and measure every bin and

**MARK
JASKOWIAK**
General Manager
Parkers Prairie - Main Office



our rented facilities for the amount of bushels at each site. This information is then compared to the inventory on our books. This report is then reviewed by the board. We have two measurements every year: one in May by the state and then one in December.

In January, our auditor goes through our records for the past year, verifying our ledger accounts are accurate. This completes the year end and the reports are then presented to the board. This is all done to ensure that our year-end report is accurate.

Before we know it, it will be time for Pro-Ag's annual meeting. An important part of this is the governance of the cooperative. We will have five board positions open at this annual meeting. Areas open this year are:

•**Region 1** director at large covers our western territory from Hoffman, Brandon, Evansville, Millerville through Battle Lake.

•**District 2** covers the Hoffman area.

•**District 3** covers the Parkers and Henning area.

•**District 4** covers the Carlos, Alexandria and Forada area.

•**District 6** covers the Clarissa and Browerville area.

If you live in the above areas and are interested in running for the board, contact one of these nominating committee members.

Russ Elliott	218-948-2429
Chuck Debilzen	218-267-2291
Jerry Korfe	218-371-7050

All board nominations must come through the nomination committee. There will be no nominations from the floor on the day of the meeting.

As you start planning for next year's crop inputs, it is also important to plan for your financial needs. We have several options available for our producers, from crop input to feed financing. For more details, visit with the staff at our agronomy or feed mill locations. Unfortunately, customers who are past due will be on a cash basis, per our credit policy. With the low commodity prices, no one can afford to lose discounts and pay 18 percent interest. Let us help by looking at the options we have available.

Happy Holidays
Mark Jaskowiak



Mineral Programs Benefit Herd Health

Thanksgiving is over and Christmas prep is in full swing! The New Year is right around the corner, and as I write this, the cows are probably out grazing on some stalks, and you are wrapping up harvest and finishing your winter prep.

As the new year approaches, we need to think about next year's calving season because a March 1st calving date is only a few months away. This is the time to evaluate the body condition of the cows, making sure they are a 6. We have some time to rebuild if needed, but the closer we are to calving and into the brutal winter, the harder this task becomes.

Also, one needs to remember the importance of a year-round mineral program, especially this time of year. This offers a long list of benefits to the in utero calf, ranging from health status to efficiency in the feed yard just from the mama cow having access to a quality mineral year

KATIE NELSON

Livestock Production Specialist
Garfield & Eagle Bend

round. However, 60-90 days pre-calving, there is a lot going on with mama herself as she gets ready to have a calf and clean right away, along with making colostrum. Being fed a good mineral before calving can have a major impact on colostrum quality. Our goal is to let mama provide the highest quality colostrum to the calf so they can have the best start possible. Plus, if the mama cow is in proper BCS and good mineral status, she is going to be rebred in 70-80 days. For a cow to maintain a 365 day calving interval, the cow must get pregnant by day 79 after calving. In order for that to happen everything must be working perfectly.

Don't forget about the bulls! They are equally important in getting a cow rebred in 79 days. They have to

be in proper BCS and have a good standing mineral status as well. Many bulls are put by the wayside during pre-calving and calving, however, the process of spermatogenesis (making new sperm) takes 70 days. The sperm they are making on day one is what will be used on day 70 to breed your cow. Pre-calving is also the proper time to evaluate bulls and make the appropriate changes. There are studies that show sperm quality increases with a better mineral program, and most importantly, please don't skip semen checking the bulls before turnout!

As usual, please don't hesitate to give me a call with any questions, as I enjoy visiting about cows. I can give you more information on the 90 mineral program that provides \$2/bag or \$9/tub off. I can be reached at 320-290-5136.

Merry Christmas!
Katie Nelson





Optimism: do you still have it?

Is there any optimism left in our industry or has the current market situation turned us all into pessimists? I pose this question to help us all realize that during this holiday season and coming into the start of the new year, we should have hope. Although current farm and dairy profitability are extremely tight, our American farmers are some of the most resilient.

My family history has been tied to the dairy industry going back four generations. That has instilled in me a passion for those who work so hard for sometimes what seems so little. I think we should take a step back and realize the true value farming brings to us.

Although the profitable times sure make life easier, the environment that we are fortunate enough to raise our children in as well as the lessons agriculture provides, cannot be taught anywhere else. I believe that is the

BEN THORPE

Livestock
Production Specialist
Serving All Locations



true value we can hang our hat on. If you can't be passionate and proud of what you do, why do it?

Ag communities have been through times like these in the past and continue to brush off, stand up tall and live to face another day. What's my point in all of this? I look at those I work with every day as some of the real heroes in our country. I think about where we could be in our country if we didn't have the security and prosperity of the world's best ag and food economy. American farmers are the ones who provide us all with the opportunity to have our grand holiday meals and enjoy them in safety and security, and this holiday season,

I hope we can remember that.

Although there may not be the profitability in our industry like there has been in years past, let's be thankful for the things we do have: our family, friends and faith in better times. These are tough times for all of us mentally and physically. We need to step up and be there for each other and know that we are all here to listen and to serve one another.

The long-term agricultural outlook is extremely positive there will be better times in the future. Will the ag industry look the same as it does today? Probably not, but as in every other industry, we must be ready to evolve and find our new niche. I challenge all of us to remain positive and optimistic as we really do have a lot to be thankful for and this world needs each one of us.





Raising steers for retail beef market

Beef producers often consider opportunities to improve the profitability of their operations and look for long-term success. One of these opportunities is marketing their steers as retail beef directly to the consumer. Have you been thinking of setting up a retail market for your beef cattle? Read these profiles of enterprising Tend-R-Leen producers who turned to marketing directly to retail beef customers to make their beef operations successful.

Joe Wollak – Joe's Beef Farm, Rice, MN

Joe Wollak designed and built his steer facility in 2000 with the goal of maximizing cattle comfort while minimizing labor requirements. The barn features a feed room with a stationary mixer and whole shell corn is augered into the mixer from a storage bin located right outside the barn. Bags of Tend-R-Leen finisher pellet are stacked next to another auger to add the pellet to the mixer. Joe simply turns on switches to add and mix feed and then augers run directly from the mixer to self-feeders. So Joe simply turns on the correct switch to deliver feed to the right self-feeder.

Joe buys feeder cattle at approximately 300 lbs. and raises the steers to market weight of approximately 1,250 lbs. With a scale in the barn, he weighs the steers once a month to

WRITTEN BY:
**DON CLEAVER &
LISA WUERTZ**

TOM GIESE
Nutritionist
612-618-6148



ensure they are on track for their projected market date. With meticulous records, he consistently sees 3.0 lb. ADG on the Tend-R-Leen program, feeding the 536 Tend-R-Leen Ultra Finisher.

"I have been raising steers for more than 25 years and have always been on the Tend-R-Leen program," Joe said. "It works well in my set-up with the whole shell corn and protein pellet. I'm extremely happy with the results."

Joe markets all his cattle privately as halves and quarters, largely by word of mouth. While some of his customers are local, he has people that travel several hours to purchase his beef. "I get excellent reviews from my customers, top of the line. It's a win-win for me and for my customers," Joe said.

Pouliot Ranch – Aaron, Peggy, Rachael And Erica Pouliot, Maple Plain, MN

Peggy's family raised beef and were on the Tend-R-Leen program while she was growing up, while Aaron's family milked cows and also raised Tend-R-Leen steers. After they married, Aaron and Peggy started

raising beef in 2003 with four steers. They currently market in the range of 30-40 head per year.

The cattle are Holsteins and purchased from local dairies at about 1-3 weeks of age. Aaron and Peggy feed Form-A-Feed's Prime Life milk replacer, a starter/grower feed, and the Tend-R-Leen 375 finisher along with home-grown shelled and ear corn, plus grassy hay.

The steers are raised to a finishing weight of around 1,400-1,450 pounds to get a carcass weight around 800-850 pounds, which is what the Pouliot's customers are looking for. All cattle are pre-sold and require a down payment. The cattle are processed at a local butcher facility and try to sell year-round although certain times of the year can be slow in addition to getting appointment times scheduled at the butcher.

The family loves raising steers and Aaron says they are "Livin' the dream." The cattle receive exceptional care and potential customers are always welcome to stop in and look at the animals.

Your Pro-Ag cooperative has the complete Tend-R-Leen Program and Products available for your farm to consider. If you have questions or comments, please contact your closest Pro-Ag location or contact me.

Happy Holidays!
Tom Giese





Soybean Markets and Methods

As I write this newsletter, President Trump is meeting with Mr. Xi from China at the G-20 summit. The grain business in the US revolves around a deal in regards to futures and basis levels going forward. No deal means more of the same; a deal means better basis and futures.

Since I can't predict the future, let's look at why the bean basis is now so wide and how this interacts locally. The biggest reasons I see in order are:

1. Large carryover supplies from the 2017 crop and the record 2018 crop that has just come off.
2. The absence of China lifting soybeans off of the PNW.
3. Yearly increases in rail freight rates along with higher than historical barge freight rates on the Mississippi.

Contrary to media reports, there has been a market for upper Midwest rail soybeans nearly every day this fall. The difference this fall from the past is that instead of a PNW market the

**TIM
LAUTHEN**
Pro-Ag Manager
Hoffman Grain Elevator



beans need to go to the gulf for export. This has caused gulf delivered bids and your local bids to weaken versus historical levels. North Dakota is almost completely dependent on rail to move soybeans, as it is too many miles to truck to Minneapolis river terminals and processor markets in Minnesota. For this reason, soybean elevator bids improve as you move from west to east across the upper Midwest. Pro-Ag is fortunate that we can access all three of these markets: river, rail, or processor to give you the best bid possible.

So why not move all the beans to the processor? The one reason is a limited amount of competitive freight. There are only so many trucks going to

the processor or river with a backhaul. If there is no backhaul, the freight is typically too expensive. This leaves us balancing shipments with rail and truck, with transfer costs from the northern elevators determining the mode or market.

I have been working at Pro-Ag since 1994 and I don't remember a fall with so few days fit to harvest soybeans. I would say there were 8 days in October with other days few and far between until the freeze up in November. Overall, it has been a good crop locally, but not a record. The Hoffman Pro Ag Terminal project continues to be a work in progress and we hope to have more news on this in the next newsletter.

I would like to thank our patrons for your support this past year. Have a Merry Christmas and a Happy New Year!

Sincerely,
Tim Lauthen





Looking Ahead to Fertilizer Programs

As I write this, there are thousands of acres of corn stalks still standing with ears on them and thousands more that are on top of the soil instead of incorporated. The best thing I can say about the weather this fall is that it is behind us. But what lies ahead?

With the uncertainty in the soybean export/tariff situation, many growers are looking at more corn acres in 2019. I have real concerns about getting the tillage done timely next spring and the additional stress that will cause all of us when it comes time to schedule fertilizer application and hit the narrow planting windows we have been experiencing the last few years. My second concern is the how to manage the residue going into the 2019 planting season. Those corn stalks left on top of the ground over winter will deplete nitrogen this coming spring. The corn stalks will need nitrogen to decompose, increasing the nitrogen per acre required if we see corn on corn acres this spring.

Fertilizer pricing is being affected by trade issues, consolidation and a fall where little anhydrous ammonia was applied south of us. Even though Pro-Ag does not handle anhydrous ammonia, we will be impacted if the southern part of Minnesota and the remainder of the corn belt are faced with a less than ideal spring again. This pushes growers to switch from anhydrous to urea. Market for all fertilizer products are firm with no signs of significant price decreases on the horizon. If we get any river issues next spring, either too high or too low, and/or

JIM HLATKY

Agronomy Manager
Parkers Prairie - Main Office



increased urea demand, a case could be made that this will be the low for the year.

Now is the time to look hard at fertility programs that include a topdress application for a couple reasons. First and foremost, topdress applications are proven to give higher corn yields. By split applying nitrogen, the can gets kicked down the road on pricing until the end of the fertilizer season, which historically has resulted in lower nitrogen prices for our area of the state. It is one plus to being further north in the corn belt, because inventories are being cleared out and this part of the state is one of the last markets for urea. Over the years, this has resulted in about a \$50 dollar per ton urea savings, but on the rare occasion that supplies are tight because of supply or transportation issues you can see a pretty hard run up in urea pricing in June. My gut feeling after being in the business for 20 years is that current pricing, although higher than last year, may be the cheapest we see going into 2019. Making urea "stretch" by split applying or using a nitrogen stabilizer or stabilized product like ESN polymer coated urea or SUPER U have really helped drive yields in these past few years where we have had ample moisture in July and August.

Looking at data collected from grid samples on many farms this fall, we are seeing a trend of declining fertility levels by as much as 50%. Three years of above average yields have really drawn down P & K levels as growers try to manage fertilizer expenses, but I fear we are heading towards a fertility cliff where the crop runs out of gas. This year there were multiple fields with symptoms of potash deficiency visible across the trade area as potash and phosphate deficiencies are almost impossible to fix in the middle of the growing season. There has been a hard push by some companies to provide fertilizer "enhancement products" claiming that you can get something for nothing. Even if they do work at helping extract nutrients from the soil, when the fertilizer reserves are depleted, you can't get blood out of a turnip.

I realize profits are tight to non-existent, but if you are going to be farming for the long haul, precision applications are the best solution. Banding, in furrow pop ups, topdressing, and Y drops are all about getting the most out of your fertilizer and putting bushels in the bin. Even though farming is challenging right now, I lean on this quote by Teddy Roosevelt, "Do what you can, with what you have, where you are at." Please stop in and meet with your ProAg agronomist and see what we can do to drive yield and make your input dollars work hardest for you.

Thanks for the business in 2018 and Happy Holidays to you and yours.

ALEXANDRIA COUNTRY STORE

806 22nd Avenue E
Alexandria, MN 56308
Phone: 320.763.5445

CLARISSA FEED & FERTILIZER

209 North Bridge Street
Clarissa, MN 56440
Phone: 800.432.6340
Fax: 218.756.2451

GARFIELD FEED PLANT

204 Sanstead Street W.
P.O. Box 49
Garfield, MN 56332
Phone: 877.479.6531

PARKERS FERTILIZER/ELEVATOR

210 South Railroad Avenue
Parkers Prairie, MN 56361
Phone: 218.338.6051

BRANDON ELEVATOR

104 East Front Street
P.O. Box 38
Brandon, MN 56315
Phone: 320.524.2282

BROWERVILLE

501 Railroad Avenue
Browerville, MN 56438
Phone: 320.594.2415

HENNING AG & LP PLANT

313 Inman Street
Henning, MN 56551
Phone: 888.749.0192

PARKERS PRAIRIE MAIN OFFICE

601 East Soo Street, Suite A
Parkers Prairie, MN 56361
Phone: 866.775.3835

BRANDON FERTILIZER PLANT

4911 County Road 7 NW
Brandon, MN 56315
Phone: 320.524.2286

EAGLE BEND FARM STORE & ELEVATOR

325 North Street E
Eagle Bend, MN 56446
Phone: 800.289.7081
Fax: 218.738.2553

HOFFMAN GRAIN & FEED

109 1st Street S
P.O. Box 305
Hoffman, MN 56339
Phone: 320.986.2007

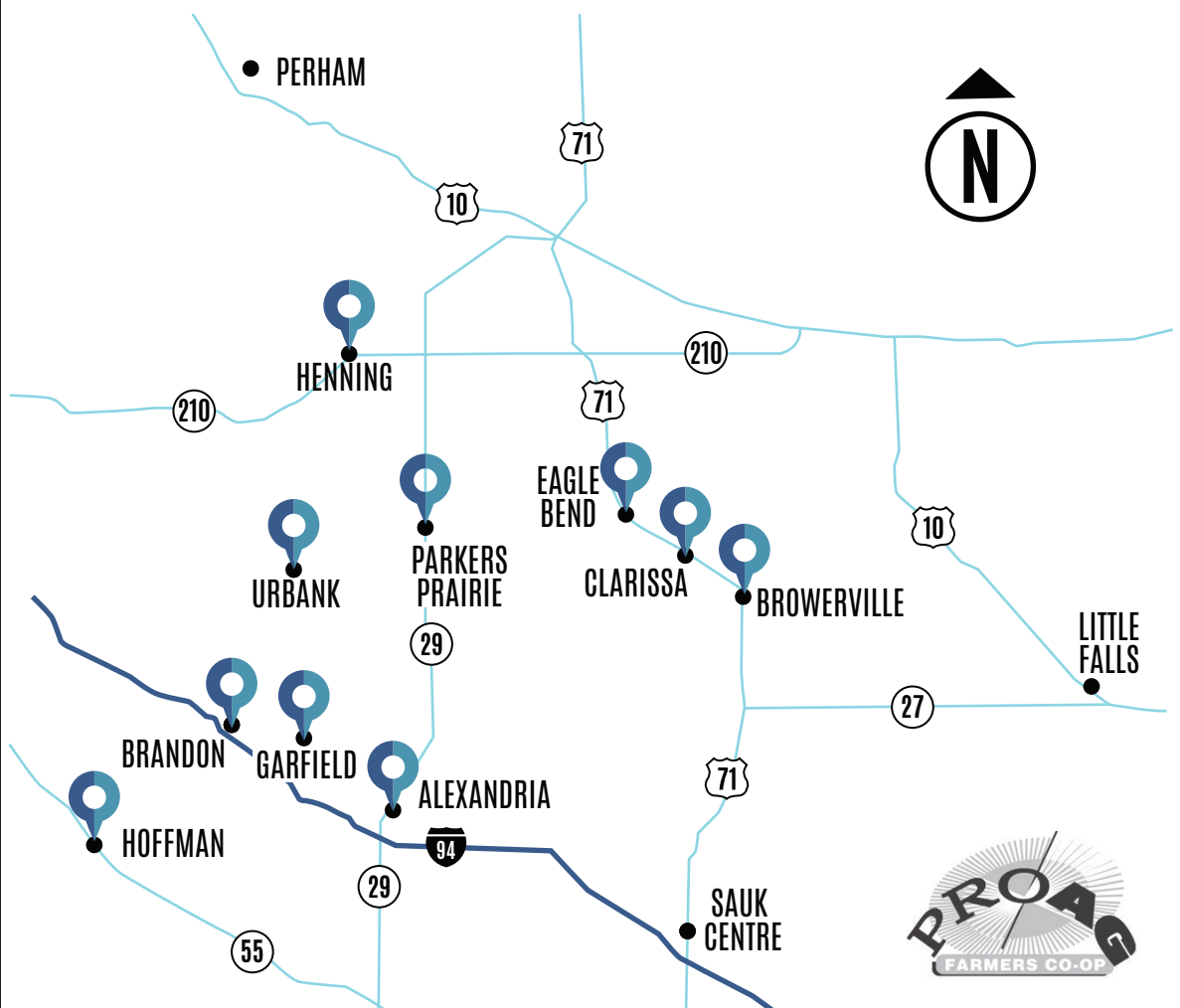
URBANK FEED /HARDWARE/GROCERY

13 Central Avenue S
Parkers Prairie, MN 56361
Phone: 218.267.2401



Locations

PROAGFARMERS.COM





PARKERS PRAIRIE MAIN OFFICE

601 East Soo Street, Suite A
Parkers Prairie, MN 56361

THE PRO-AG TEAM WISHES YOU

Happy Holidays!

