

PRO-AG NEWS

Fall 2018 Newsletter

When this newsletter lands in your mailbox, we should be into the soybean harvest. This crop maturity is similar to 2012 when most of the soybean harvest was completed in September.

In early summer, we start planning our marketing of the new crop and we need to book our rail freight for the next marketing year. We had a great plan, with one soybean train loaded at the end of September and two more in October before we would switch to corn loading.

It was a great plan until the tariffs were put on soybeans and the West Coast stopped purchasing them. We did have the September train sold but not the October trains, as the new crop bids were not where they traditionally are for basis levels. With the big crop we have in the fields – and not shipping the rest of the soybeans – storage will be very tight this harvest. We will do our very best to accommodate everyone this fall.

Health insurance coverage information

With the new year approaching it will be time for our members to make decisions on health insurance coverage for their families. I don't know anyone who looks forward to dealing with this task. Pro-Ag can offer



our members different options for their health care needs.

The change in Minnesota legislation last year allowed Land O' Lakes and its subsidiary, BuyPoint Insurance Solutions, to develop a health insurance program exclusively for farmers. Understanding the burden of rising health insurance costs to farmers, Pro-Ag Farmers Co-op was proud to make an initial investment last year to offer this program to our producer members.

Last year, with the late harvest, it made it difficult to communicate the details of the program to our members. We did have 30 of our members enroll in this program. With advanced notice this year, we expect more to use it in 2019.

Land O' Lakes partnered with Minneapolis-based health insurance company, Gravie, to administer the program. Some of the benefits of the program are:

- Competitive pricing
- Access to a broad, national (PPO) network
- Eight health plan options

- Access to Gravie Care
- No membership fees
- Doesn't require a W2 employee

Open Enrollment period will be from October 29, 2018, through December 21, 2018, for coverage starting January 1, 2019. There will be meetings held where you will have the opportunity to learn about this benefit option in more detail. You can expect to receive more information through direct mail.

We encourage our eligible producer members to at least compare your current health insurance rates to the Land O' Lakes program. To get more information, visit www.gravie.com/mncoop to sign up for announcements, including 2019 rates, event dates and locations. You can also call 844-538-4690.

To participate in this program, Pro-Ag Farmers Co-op members must do at least \$5,000 in business with the co-op, reside in Minnesota and actively work in production agriculture. If you prefer not to receive communication from Gravie's health insurance program, please notify Melissa at the main office 218-338-3001 to be removed from the list.

Have a safe harvest,
Mark



Keeping livestock healthy during season changes

The change of seasons from summer to fall can create health problems with all livestock. There are many medications and other treatments you can use to help any concerns you may have during this seasonal change.

Medications

Using medicated crumbles for your cattle is fairly inexpensive and easy, compared to treating with a needle or else they may die.

One thing to keep in mind when buying medications is that trial after trial shows there is a substantial difference in the effectiveness of Aureomycin versus generic cheaper products, which may not be the best for your livestock. You need to work with your veterinary team to decide what is best for your needs and they can get you a VFD for the medication. We can help as well and have the product on hand.

Stress tubs

Stress tubs can really help when weaning, working or moving cattle. Stress tubs are highly fortified with vitamins and chelated trace minerals that really help cattle's immune systems in challenging situations.



Tony Kokett
Feed Department Manager
Garfield Feed Elevator

Stop by your local Pro-Ag feed store and ask which medicated crumble may help your situation and if a stress tub may add some insurance to challenges on your farm.

Weaning and nutrition needs

Weaning your calves from your cows can be a stressful time period, especially for the calves. Calves' diets change dramatically, as do their surroundings. This all creates a high level of stress in the newly weaned.

Nutrition plays a key role in weaning a calf successfully. If a calf is eating well and taking in a lot of energy, the calf can withstand more stress than with poor nutrition. This is why choosing a weaning ration is key.

Purina's Precon/Receiving Chow has been one of the leading weaning rations for many years. It was developed to be fed free choice to calves before and at weaning. Due to its high fiber content it can be the sole ration weaned calves eat at weaning.

With a high energy content along with a high fiber content and great palatability, calves intake is exceptional. This ration should be fed free choice to calves for 21 to 25 days.

Also available: Stress Care 1, which is a 1# inclusion rate that is highly fortified for cattle under stress. This will get them through the most stressful time.

Deworming

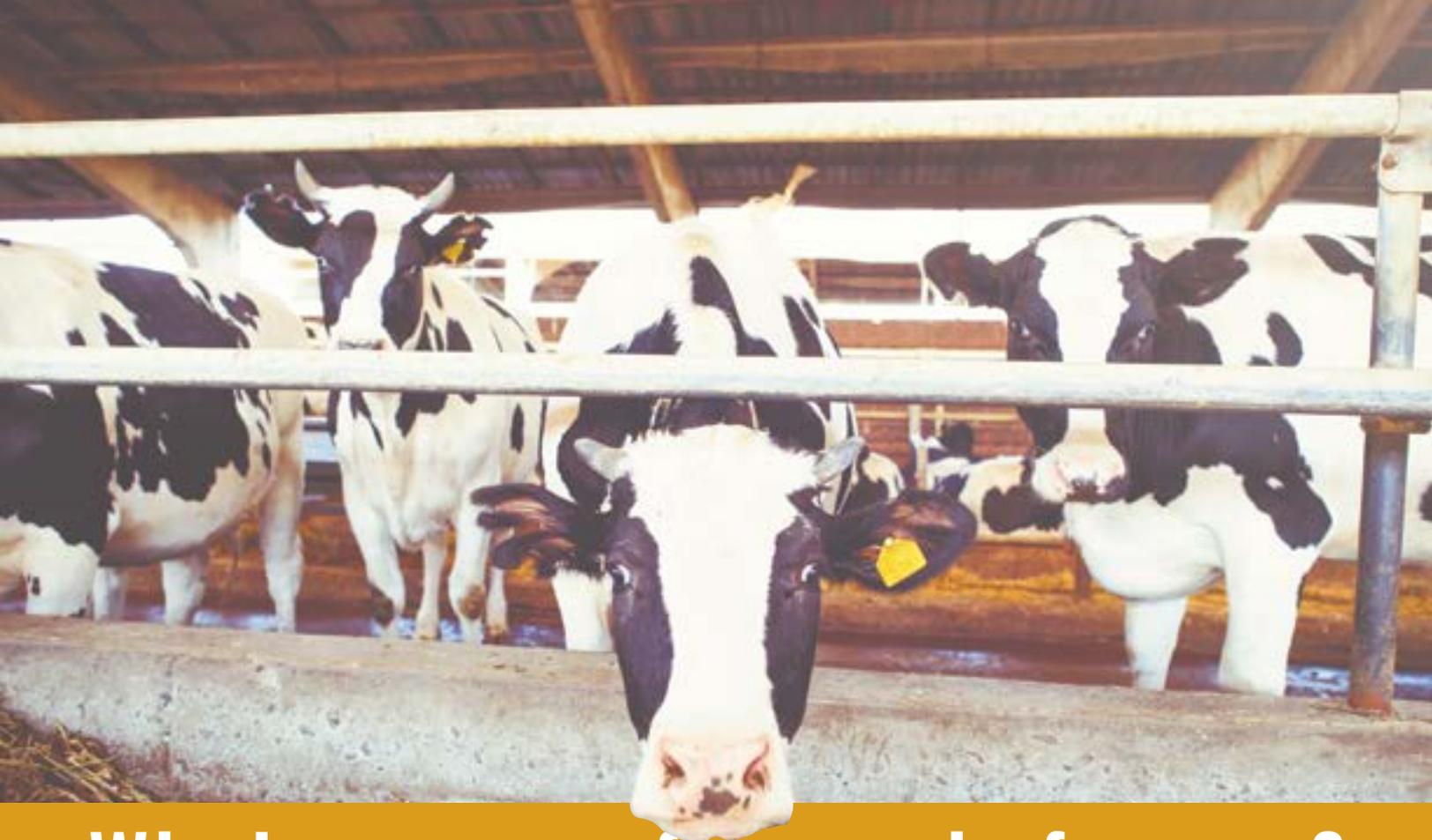
Fall is the time to deworm your cattle. Chances are pretty good that at some time through summer your cattle were exposed to some kind of parasite. These parasites can hurt milk production, limit performance in young stock and limit your cattle by eating more to try to maintain through the winter months. A good deworming program can definitely help control these problems with increased performance and cut feed costs.

Pro-Ag's Livestock Production Specialists can help you through your feeding program and make this transition as easy as possible to keep your calves gaining, giving your calves higher values at sale time.

We thank you and we appreciate your business!

Tony





What can your forage do for you?

In many everyday conversations, I get asked from nearly all of my customers in some fashion: What lies ahead? What's the forecast? Where do we go from here?

All of agriculture is in tough times which we haven't seen since the 1980s. The question becomes: What does it take to continue to be successful and profitable?

Forage quality is key

There are several things we can do to continue to be profitable, but the one that rises to the top is forage quality. Forage quality is the biggest driver on the feed side that can reduce purchased feed costs and increase milk income. Throughout the summer, we had some good windows to get our hay crops put up.

The analyses I have seen on this year's hay crop has been very good. If we can continue to push high-quality

BEN THORPE

Livestock
Production Specialist
Serving All Locations



forage in our rations, we will continue to make milk, and ship optimal solids to remain profitable. On dairies that feed high-forage dry matter that is of the very best quality, we see very good milk production and components.

This year's corn silage crop is looking to be very good as well, which will help drive down purchased feed costs.

So what is the science behind why higher quality forages work?

It essentially comes down to the amount of energy per pound of dry matter we put into our cows. If we fill a cow up with lower quality (and, hence, lower energy forage), we are only giving her the ability to milk to the

energy level provided. As we move up to higher forage quality we also move to having more energy per pound of that forage.

I like to think of a high-producing dairy cow like a high-performing athlete. If we feed them both a well-balanced, high-energy ration, they will perform at their peak. Achieving that higher energy, well-balanced ration is done with high-quality ingredients. High-quality ingredients included on farm forages are very important, especially when they make up 50 percent to 65 percent of the dry matter intake in a typical ration.

If you have questions on how you can make your forages work harder for your cows and your profitability, feel free to contact any of us on the Pro-Ag Feed Team.

I wish you all the best of luck with your fall harvest. Stay safe!





How important is ‘the starting period?’

The importance of nutrition and getting cattle on feed is critical to the value of the animal and the effect it has on the bottom line for you, the producer.

Many of us know that getting a group of cattle on feed, regardless of age and weight, is a vital part of feedlot success. Of course, the overall health of the animals at the time of purchase is critical, too. We need to start with healthy animals to expect to be profitable.

Know what calves have been eating during starting period

Now we have a healthy calf or yearling, what do we feed them? How do we know? Feed intake needs to be managed. We must know what the animals are eating during the starting period to do the best job. The initial weeks in the feedlot will ultimately determine productivity.

As producers, we must evaluate what we have bought to determine how we start them. For example, lightweight calves, stressed calves and yearlings all need to be treated differently. For lightweight and stressed



TOM GIESE
Nutritionist
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calves we want to encourage and maximize intake with highly palatable feed stuffs. For yearling type cattle we need to moderate intakes to prevent them from eating too much too soon, which can and will cause multiple health issues.

What are the environmental factors?

Environmental factors also need to be considered when starting a group of cattle:

- Is the pen space adequate?
- Is there a fresh, clean source of water and bedding available for newcomers?

These are questions that need to be answered, preferably long before the cattle reach the yard. There are industry benchmarks for all of these factors, yet each feedlot can have its own character, and proper receiving protocols may need to be tweaked.

Consult your nutritionist or veterinarian

This is where the help of your nutritionist and veterinarian for vaccine management can be crucial. Bottom line is: The more stress an animal endures during weaning, shipping and co-mingling, the lower feed intakes will be and the effectiveness of veterinarian receiving protocols will be diminished.

I know as many of you read this you may be thinking this is all obvious. The truth is that many times cattle are brought in with improper bedding available, have long distances to water or inefficient bunk space for all of the new cattle to eat at the same time. I have seen it!

These simple management items may not seem like big factors, but they are robbing you of potential profit. You are going through all the work anyway, so let's do our best to make your animals healthy and happy. Pro-Ag Farmers Cooperative carries a wide variety of receiving products to help you be successful. Please contact me with any questions you may have.

Happy Harvest!





Grain perspectives

As Pro-Ag's Manager at Hoffman Grain Elevator, it is my pleasure to provide news to you from your Grain Division.

Before we dive in, I would like to introduce myself in case we haven't had a chance to meet yet.

Ag has been a part of my life for many years. I started my ag career in 1972 when I was still in high school where I worked at an edible bean plant tossing around hundred-pound bags. I then attended college and worked at a private Jamestown, ND, elevator in 1979. The following year I went to a private elevator and seed plant in Warren, MN, and later became the General manager. In 1987 I took the General manager job at the Portland, ND, Farmers Co-op. In 1994, three farmers' co-ops merged into MayPort Farmers Co-op and I was selected to be the General Manager.

After my many years in the elevators, I started my own business as a commodity broker, crop insurance agent and farm marketing advisor. During that time, I was Interim Manager at various grain elevators. Prior to coming to Hoffman, I worked as a territory manager in North Dakota and Minnesota for Hyland Seed DOW Agri-Science Canada.

I am very happy to be working with all of you today.

Hoffman's merger with Pro-Ag will benefit many

The merger with Pro-Ag and Hoffman has been a learning and growing experience. I work mostly



with Tim and the staff of the Grain Department. Working with Mark and all the Pro-Ag staff has been a good experience for me as well. Pro-Ag has a strong dedicated team.

We have a solid plan to put Pro-Ag and its grain customer base in a strong competitive situation in the near future. Here is our two-phase plan for the coming months:

Phase one: New tank to be completed by October

We are adding a new 400,000bu tank to the existing south site at Hoffman. The tank is on schedule to be completed by mid-October.

Phase two: Rail car loading work

We have been working with C.P. Railroad to add a future rail and a rail loading facility at this site. We are looking at completion in summer 2019.

The goal of this two-phased project is to have a fast and modern facility that is convenient for farmers to dump grain along with the capacity to move more grain volume. We are very excited for the expansion that will help you, the farmer.

Marketing successes in 2018

I have seen some very good marketing done this year on new crop corn and soybeans. Most farmers would say they didn't sell enough crop at the earlier, better prices. The key for

these people was to be giving us offer contracts or orders. I'd also add that staying disciplined and not changing their minds of sticking to the selling plan of at or above their cost of production was also helpful.

I understand this urge to change your mind. There's a huge amount of market information out there. This is due to technology and the rapid access to vast amounts of grain marketing information. It's easy to get caught up in "market gossip." This can cause people to change their minds on marketing plans, and yet, nobody knows where the market is going to go. Call or come in and talk to us about your grain marketing needs.

China trade war has us all a bit on hold

The trade war with China is greatly affecting how we are able to market soybeans. With that large piece of business on hold, everyone is hoping and waiting for a positive outcome. The Chinese are in it for the long haul. The market is trying to tell farmers what to do on farm storage. This will be a benefit to those who can hold soybeans and corn for later delivery. All grain elevators will face space problems with the large corn and soybean crops. A good problem ... yet still a challenge to find space. The Pro-Ag Grain Department will be working hard to assist its patrons with their harvest needs.

May your fall harvest be safe and a success!

Danny

Pro-Ag predictions for 2019

Although 2018 brought many challenges to us all, it's safe to say that we are prepared to go into the next season, thanks to some experience and insights. Here's my perspective on how 2018 went for a lot of us and what we can do to get ready for 2019.

Transition to soybeans with alternative traits jumped in 2018 and likely to rise again in 2019

At Pro-Ag this year, we saw a big jump in the number of soybean acres that made the switch to traits such as Liberty Link and RoundUp Ready 2Xtend. In 2017, only 25 percent of the acres were planted to these two traits, whereas in 2018 we hit 40 percent.

I believe that in 2019 we will be over 60 percent, with Liberty Link being the trait of choice, because it has a broader application window and less restrictions. Both traits offered much better weed control on tough weeds like Waterhemp, Lambsquarter and Common Ragweed. These three weeds are best controlled with a pre-emergent herbicide program, applied in layers with Liberty or Xtend as the backup plan.

Fertilizer costs predicted to rise in 2019

No one will want to hear this, but expect to see an increase in fertilizer prices and chemistry for 2019. The biggest impact overall is from a major consolidation in the potash industry.

JIM HLATKY
Agronomy Manager
Parkers Prairie - Main Office



The price of potash has steadily increased since these two major potash producers merged. Since potash goes on every acre, it hits the budget hard on all crops. Currently, we are seeing prices \$40 per ton higher than this spring and \$70 higher than last year. The only way I really see to combat this is to go to 1-acre grid sampling to make sure you are getting what you need on each field without wasting pounds where fertility is high already.

Grid sampling itself is an expense, but without precise information you're just flying blind. Grid samples seem to always pay for themselves with either higher yields or lower fertilizer costs.

Trade situation affecting nitrogen market and may drive generic prices up

The current situation in China and the trade issues we are facing are also impacting the nitrogen market as urea imports to the U.S. are a drop in the bucket compared to prior years.

Global fertilizer prices are higher in general than the U.S. and we are not attracting tons to compete against

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Put Pro-Ag to Work For You This Fall

This time of year is great for looking back and making notes on what worked and what fell short this past growing season. To help you make some decisions when planning for next year, here are a few things to keep in mind:

1. Now is a good time to give your Pro-Ag agronomist a call to line up weigh wagons for strip trials and to calibrate yield monitors.

2. You need to start thinking about which fields you would like to soil sample or sample for soybean cyst nematode. Let us know and we're happy to assist you.

3. Finally, if your weed control program had a gap, or broke down mid-season, it's also a time to note that for next year's crop plan.

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
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URBANK FEED /HARDWARE/GROCERY

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Locations

PROAGFARMERS.COM





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HATKY, CONTINUED

domestic manufacturers. The Twin Cities and River is short on tons as well. It looks like we will see fertilizer prices up 10-20 percent over last year.

The Chinese government has really been forced to address the pollution from many of its manufacturing facilities that produce fertilizer and crop protection chemicals. This has reduced production of the major products coming out of China like Glyphosate, Mesotrione, Metribuzen, Clethodim and Acetachlor.

The current tariff situation has only made this worse. The long-term effect is still uncertain, but short-term it may drive the price of generic chemicals

back up near name-brand products.

Let's weather these tough economic times together

With commodity prices lower than we have seen in years, I think the best investment you can make is taking the time to look at input costs early this fall and trying to put a plan together with your Pro-Ag Agronomist that fits your fields, your crop rotation and your weeds of concern.

My belief is that in these tough economic times, it's all about value, return on investment and working with local sales staff that know the issues in your area.

It takes bushels to pay the bills and you can't cut your way to success. Be thrifty, be smart, but don't leave yield on the table because of low fertility, resistant weeds or the wrong seed varieties for the type of dirt you grow crops in.

Our kids go to the same schools, our taxes go for the same roads and we live and work in the same communities. We want you to stay in business. That is our goal behind every recommendation and every product we sell. We are here to help you grow the best crop you can.

Have a safe and productive harvest.