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Farmers Win
Coop
GAME PLAN



Fall 2016

"PERFECTING THE WINNING COMBINATION!"

110 N. Jefferson • Fredericksburg, Iowa 50630
(800) 562-8389 • www.farmerswin.com

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Retirement OPEN HOUSE

HONORING STEVE AND JEAN NEUENDORF

Thursday, December 29 from 1:00-4:00 p.m.
at the Main Office in Fredericksburg

Steve and Jean Neuendorf have announced their retirement effective December 31, 2016. Steve has been with the coop for 43 years. He started at the coop in June 1973 in the petroleum department where he worked his way up to our Petroleum Division manager. Jean has been with the coop for 34 years. She started at the coop in March 1982 in the accounting department and currently coordinates all of the grain accounting.



A Message From: Jim Erickson General Manager

Our annual meeting for fiscal year end 7-31-16 was held on September 19-20 in Cresco and Fredericksburg. Both meetings were well attended. We achieved positive financial results for this past fiscal year. Our sales were \$168,731,792. Our net savings for the year were \$1,134,301 and with regional patronage we ended up with savings of \$3,222,324. There were quite a few cooperatives that lost money this past year. Margins were reduced as a result of the declining prices in agriculture this past year. Our results were also impacted by a write-off of \$150,000 investment in Iowa Beef, a new beef processing plant in Lime Springs. This past year was a good test that Farmers Win Coop can be efficient and profitable during stressful years.

I am pleased to also announce that the board of directors has approved to pay out 100% of 7-31-08 patron equities totaling \$1,265,323.00. Checks for this retirement will be issued around the middle of December. FWC has the financial strength to maintain an aggressive retirement program and continue to update equipment and build facilities.

The 2016-17 budget was approved for capital expenditures of \$3.9 million. Some of the items included a cooler addition to the Country Express C-Store, new bin floor and conveyors at the Bremer location, and a new 70x14 scale in Ridgeway. A major part of the budget is for updating trucks, floaters, sprayers and support equipment. Also in the budget was approval to build a 220,000 gallon bulk fuel site at our Burr Oak location. We currently purchase our bulk truck fuel for farm delivery in the Decorah area from a competitor's bulk site. The company will now have two bulk fuel sites which will allow us to take advantage of market opportunities that benefit all patrons of FWC.

FWC has also entered into a purchase and sale agreement with Cohen-Esrey Affordable Partners, headquartered in Overland Park, Kansas to sell them the property and buildings of the facility in Decorah. The sale is contingent on receiving housing tax credits from the Iowa Finance Authority. Their application is due in by Nov. 17, 2016 and they will find out if they are successful in March, 2017. If successful the closing will be approximately September, 2017. The developer is proposing a three-story 38-unit apartment building. The Decorah facility is an older facility which is inefficient and not easily accessible with today's farming delivery equipment.

The weather this fall has been great to harvest the crops. We did struggle to finally get some dry soybeans but the yields on soybeans and corn have been very good. A big thank you to the employees of FWC who have put in many hours providing great service to our customers. And thank you for supporting FWC this fall.

A Message From: **Brad Darling** President, Board Of Directors

This year’s annual meeting was held on September 19 & 20. Results of the director election were the three incumbents were re-elected to the board of directors for a three year term. They were James Rediske, Burr Oak, Kelvin Rue, Ridgeway and Dave Drilling, Waucoma.

The board officers for this coming fiscal year are Brad Darling, President, Dwane Koch, Vice-President and Roger DeSloover, Secretary.

In June the board of directors approved the extension of Jim Erickson’s employment as our general manager to July 31, 2017. At that same meeting the board hired the firm of Hedlin Ag Services of Ankeny, Iowa to conduct a general manager search for Jim’s replacement next July. Our first meeting will be on December 8. The firm will conduct the search for applicants in January and February. The board will then conduct the interviews and make a decision by the end of March.

On behalf of the board of directors we would like to thank all of our patrons for their business this fall. We also want to thank all of our dedicated employees who have put in a lot of hours this fall and provided the members of FWC with excellent service. It truly is appreciated.



All of us at Farmers Win Coop would like to wish a very Happy Thanksgiving from our families to yours.

FARMERS WIN BOARD OF DIRECTORS CELL PHONE NUMBERS

Brad Darling	President	563-419-2908	Kelvin Rue	563-379-0203
Dwane Koch	Vice President	563-380-1724	Dave Drilling	563-380-3660
Roger DeSloover	Secretary	563-379-8966	James Rediske	507-273-0358
Randy Hanson		563-379-2224	Loren Schweer	319-415-5945
Chris Hagedorn		563-920-1397	Jonathan Keune	563-580-7634



A Message From: **Ron Cruise** Agronomy Department Manager & **Travis Blockhus** Agronomy Department Assistant Manager

Fall harvest is winding down. Great yields despite heavy rains during the whole growing season seem to be common throughout the entire territory. With big yields come big fertilizer removals. We have had two years in a row of tremendous yields. This year we have lower fertilizer prices than we’ve seen in many years. It’s a good opportunity to replenish your fertilizer stocks in your soil. 200 bushel corn removes roughly 145 lbs per acre of MAP and 100 lbs per acre of Potash. 60 bushels of beans remove roughly 90 lbs per acre of MAP and 150 lbs per acre of Potash. So, if you are spreading for two seasons of a corn/soybean rotation, you will need to spread a minimum of 235 lbs of MAP and 250

lbs of Potash per acre just to cover removal.

We are also into fall NH3 season and if your farming practice allows, it’s a good way to spread out your work load to alleviate some of the pressure in the spring. Just as a reminder the ideal soil temperature for NH3 application is 50 degrees or less. A vital part of fall NH3 applications is using N-Serve to protect your nitrogen investment. This has held true the past two application seasons as we had heavy rains last December following NH3 application and again this Spring. A lot of publications and also computer models that we use showed that 40 to 50 units were saved by the use of N-Serve or other nitrogen stabilizers. It also allows you to make your NH3 applications in warmer soil, 60 degrees or less. You should consider the use of these types of products when applying any of your nitrogen sources.

All across our territory high yields have been reported for both corn and soybeans. With these high yields we are starting to realize the genetics true yield capabilities that have been talked about by the seed companies for many years. Your local Farmers Win agronomist can assist you with hybrid selection and placement on your farm as these are two critical decisions that can help you maintain high yields. Farmers Win Coop offers many of the top selling brands like Dekalb, Pioneer, Asgrow, Croplan, and Mycogen. These companies have many great yielding hybrids to combine with early order discounts and flexible financing options.

Have a Happy Holiday season!

FARMER DATA ACCOUNT ACCESS AVAILABLE

Farmer Data is an option available for all Farmers Win coop members. This option allows for members to have online access to view their account with Farmers Win. Once your Farmer Data account is set up, you will be able to view grain activity along with daily transactions. After your monthly statement is generated, you will receive a notification email that you can view your statement online on your account.

To get set-up for Farmer Data, visit the Farmers Win website at www.farmerswin.com and click the Farmer Data button on the top right corner. You will need to register as a new user. To properly register, you will need to know your Farmers Win account number. If you have any problems with the sign-up process, please follow the help screens and you will be assisted in the sign-up process.



A Message From: Steven Neuendorf

Petroleum Department Manager

Hope everyone had a safe and profitable fall with yields mostly above normal to help offset the low commodity prices! Fuel prices rallied to start the fall, but started dropping off after much skepticism about the upcoming OPEC meeting to cut production. If no agreement is reached, prices will probably remain in the current range or trend a little lower depending on winter demand. Contract prices now seem a little high for spring and fall of 2017. Keep an eye on crude and check with us anytime for price updates, we can also set you up on our email list to get daily price updates.

With winter approaching, it is time to prepare your fuel tanks and equipment for the cold weather. All equipment like combines that won't be used until next year should have their fuel tanks filled before storage to minimize condensation and microbe growth. Blending your fuel tanks or tractors should be done before the fuel is below 25 degrees, this applies to additives as well as #1 fuel. Wintermaster will be available soon in clear and dyed and is pre-blended to protect to -30 below zero, but is to be used alone and not blended with #2 fuel.

We will be switching our stations to winter blends later this month. Frederika and Hawkeye will be switched to wintermaster. The Country Express in Burr Oak and the Fredericksburg Cardtrol diesel blender pumps will be switched to #1 fuel with blends of 10%, 20%, 30%, and 50% along with straight #1 available.

Planning is underway for a new bulk fuel facility at our Burr Oak site to better serve our northern area. Currently we are leasing space in Decorah with a very limited inventory, more products will be available including winter blends, biodiesel blending capability, and ethanol blends. This facility will also help at keeping inventory at our Country Express station during terminal outages which seem to occur more often lately.

Finally, as my wife and I are retiring at the end of year, I wanted to thank everyone for all of the business over the last 43 plus years, getting to know many of you, watching families grow up and the next generation taking over the farming operation. We plan on spending more time with the grandkids in South Carolina and Iowa, along with traveling, farming, and enjoying spring and fall! Again, thanks for everything and have a happy holiday season and a successful new year!

MOBILE TEXT UPDATES REMINDER

Text alerts are available by location, and you can receive any number of location alerts that you wish. Standard text messaging rates may apply.

If you have signed-up to receive text message updates, please do not resubmit your request to be signed up. As market bids may change, there may be a slight down-time in receiving of text messages; this does not mean you were removed from the message list! Resubmitting your request after you've been signed up may cause for confusion or errors in your alerts.



A Message From: Dale Heimerdinger

Grain Department Manager

and Jason Dubberke

Grain Merchandiser

North American farmers produced a corn and bean crop of monumental proportions this year. Don't let anyone fool you, this one is big, and the effects of this burdensome supply are going to be felt for a long time. As of this writing, we haven't seen the November Supply and Demand report, but the general consensus is that this crop isn't getting smaller and that no matter how robust demand is, we will be

facing a 2 billion bushel plus carryover on corn and close to a 400 million bushel carryover on soybeans.

Thanks to China, United States soybean exports are on an exhilarating pace. The USDA has shipments for the first 2 months of the marketing year at 385 million bushels, which is an 18% increase over the same period a year ago. Recently, bean export shipments posted their second straight week of over 100 million bushels. During the last week of October, bean shipments were the second largest total of all time. During this same week, combined corn, beans, and wheat export shipments were an all-time record. During the last week of October, there were 57 ships at the Gulf waiting to be loaded. 71 more vessels were expected to arrive within the first 10 days of November. 24 vessels were reported at ports in the Pacific Northwest during this same week. Pacific Northwest rail activity continues to be very strong with receipts during the first two months of the marketing year up 51%. Texas Gulf railroad volume has increased 124% year to year.

This sensational demand actually lifted bean futures and to some extent corn futures during the last half October "gut slot US Harvest". This happened to come at a time when South America was immersed in corn and bean planting. These higher prices combined with good weather and a vigorous "ahead of schedule" planting pace ensured South American farmers would plant as much, if not more total corn and bean acres than the year before. Additionally, prospects for the Safrinha crop {double crop corn} in Brazil are improving, due to the rapid planting of early maturing soybeans in Mato Grosso and Parana. As a result, these beans will be coming off just at the ideal time for corn planting in January and February. This could eventually reduce corn exports out of the United States and the corn market could be faced with the tug-o-war of reduced corn acres in the U.S. versus a 17+% stocks to use ratio. The big crop in North America and the robust planting pace in South America are just part of the story when looking at the global supply/demand fundamentals and trying to gauge what the markets are going to do the next few months. Ultimately, we have no idea what the markets are going to do. South America could get the crop in nicely only to end up experiencing terrible growing conditions later on. China could simply go on an unprecedented buying/stock building spree that runs prices up this winter. On the other hand, South America could experience normal growing conditions and we could see normal demand that leaves our markets drifting lower this winter into a supply bear market. There's also chatter that the Feds could raise interest rates in December after the election. Historically, any incremental interest rate increase has led to a stronger U.S. Dollar and consequently our commodities become more expensive for foreign countries.

At this writing, one of the latest acreage guesses for 2017 has corn acres down 3.5 million acres at 91 million acres to be planted in the United States next spring and soybean acres at 4.8 million higher than 2016 at 88.5 million acres. As you can see by this year's record production, the United States is raising large corn and soybean crops. The last four years have been very productive with advances in mechanical and genetic innovations. This trend of increasing yields could perhaps give us another record breaking bumper crop next year. Long story short, we need to be addressing any current marketing opportunities and have some solid plans ready to capture any potential future marketing opportunities this coming year. Using any combination of "cash contracts, forward contracts, future only contracts, basis contracts and minimum prices contracts" in correlation with scaled up firm offers can be a great way to manage risk and capture the market. Therefore, we encourage you to contact your local Farmers Win Elevator to discuss various strategies.

Thanks for your business!





A Message From: Brian Anderson

Feed Department Manager

MOLDS AND MYCOTOXINS IN CORN AND FORAGES

2016 weather conditions this summer and fall were likely to cause mold and mycotoxins in this year's corn and forages. We are seeing higher amounts of damaged, molding, or sprouting kernels in this year's corn crop. Mycotoxins may be produced by some of these molds under certain environmental conditions.

Most corn coming in this fall has shown some signs of high moisture conditions in the field caused by the high rainfall this summer. The damage does seem to be somewhat hybrid specific and can be attributed to the husks being wrapped tighter or ears staying upright holding the moisture especially in the base of the ear. We have seen flooding in the area which brings in an entire new range of issues for contamination and health issues as contaminated water has been in contact with the ears.

MOLDY FEED EFFECTS

Moldy or musty feed won't always contain mold or mycotoxins, but the presence of mold may adversely affect production and animal health. Feed may be less palatable and lower feed intakes will lower the availability of energy, dry matter and overall nutrient availability. If animals do eat, digestibility may be a factor as energy levels may be lowered which will affect growth, or milk production. Moldy feed issues are sometimes more subtle or hidden in lower performance, and longer term issues of more digestive or respiratory issues that affect livestock health. In breeding animals you may encounter a higher rate of abortions or pregnancy complications as the molds tie up essential nutrients of vitamins. Mold feeds are commonly lighter in weight affecting total feed dry matter intakes.

MYCOTOXIN EFFECTS

Under some conditions, molds can produce mycotoxins at levels that can affect animal production and health. Unlike molds that have some visible signs, mycotoxins may or may not be present and samples of suspect moldy feeds should be sent in for testing. Some signs of mycotoxin presence are a drop in feed intakes, drop in milk production, animals off feed, diarrhea, or even hemorrhaging. Other estrogen-like symptoms such as swollen vulvas and nipples or rectal or vaginal prolapse may occur with increased mycotoxin levels. Long-term presence of mycotoxins may include liver or kidney damage. With mycotoxins, animals may not die or show acute signs of toxicity, but after several days or even weeks, symptoms may emerge. Aflatoxins are mainly in in hot dry weather while this year mycotoxins such as vomitoxin or fusarium are more likely. Whole plant forages like haylage or corn silage or more susceptible than grains and heat processing or ensiling does not destroy mycotoxins.

TESTING FOR MYCOTOXINS

Consider testing if marked changes are seen in reduced production, reduced intakes, and an incidence of health issues are occurring or if mold is visible in feeds. Sample all feed stuffs the animals are eating as the total amount of mycotoxins in the total diet is the determining factor. Make sure to take a representative sample. Feeds with mycotoxins at harmful levels should be fed only at restricted levels in the diet to eliminate the chance of long term performance of production issues.

If Testing Shows Undesirable Mold Concentrations

- Contact a nutritionists or a veterinarian to assist in diet balancing
- Adjust rations for lower energy or light weight forages
- Add mold binders such as bentonite or aluminosilicates to the diet
- Use a mold inhibitor such as propionic acid
- Restrict or eliminate some mold positive feed stuffs from the diet
- Younger animals are more susceptible to molds
- Molds are more concentrated in grain fines. Screen off fines if you can.

FLOODED GRAIN OR FORAGES

This year some farmers are dealing with crops that were under water at some point during the heavy rainfalls this summer. Beware if utilizing flooded forages in your rations as they may contain many contaminants that were in the flood waters such as chemicals, oils, or other compounds that may be harmful or fatal to livestock. Testing of these forages may or may not be an accurate indicator of feed safety as many of the chemicals they could be contaminated with, are not normally tested for. Beware in adding the flooded feed ingredients to your rations and watch animals carefully if you decide to feed them. **CONTINUED ON PAGE 5**

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Molds and mycotoxins may be in some of your feed stuffs this year. Watch rations and animals carefully and if signs or symptoms start to appear, test and manage your rations according to best management practices and give our Livestock Specialists a call to assist you.



WHEN IT COMES TO
YOUR MINERAL PROGRAM...

YOU CAN SEE THE DIFFERENCE WITH
WIND AND RAIN® STORM® MINERALS

Join us and see how Purina® Wind and Rain® Storm® Minerals can make a difference in your herd.

January 10th / 11th / 12th
Date

Time

Dreerh, Fredericksburg, Cresco
Location

Farmers Win will be hosting a dairy calf meeting **December 9th** and **December 16th** with Land O' Lakes Calf and Heifer specialist Todd McDonough speaking about calf nutrition and calf health. The meetings will be held at **HEREZ 2 U DECEMBER 9th in FREDRICKSBURG** and at **MABE's IN CRESCO on DECEMBER 16th** starting at 11 am and concluding around 1 with lunch provided.

Please RSVP to either the Farmers Win locations or the feed salesmen

Bradley Spain (563-212-2658)

or Jerry Samuelson (563-380-2174).

A Message From: Dan Steege

Propane Department Manager

SUPERLUBE TMS 15W-40 ENGINE OIL

\$10.78 PER GALLON

QWIKLIFT HTB HYDRAULIC OIL

\$10.21 PER GALLON

Take advantage of our early fill program for all your bulk oil needs. **Receive one, \$50 Visa gift card for delivery of 125 gallons of qualifying product(s) delivered in any size container before February 28th, 2017.**

Also, you have the option of deferring your payment until April 15, 2017. Call the Farmers Win Coop today to take the delivery of reliable, time-tested Cenex lubricants!

