



# Vision Newsletter

August 26, 2019

## Notes from Kent - Headed into fall...

As summer comes to a close, I want to update everyone on a few items as we head into the fall. Over the past several months, the agricultural industry has been affected by a few key issues. From the large multinational companies, to Ag Valley and right to your individual farms, the impact has been real and challenging in the grain industry. We now look back with 20/20 hindsight to last fall. Everyone was just starting to deal with the tariffs and their impact upon the soybean markets. At the time, very few thought this international disagreement would last as long as it has. As a result, Ag Valley took care of your needs; beans were put into different locations compared to a normal year. We then had to carry these beans until the market was ready, because in a normal year, many would have shipped at harvest.

However, that led to more corn being stored outside, which as we all know, has been affected by weather. For example, in the Norton area alone, we took in over one million bushels **after** Christmas due to harvest delays. The weather also impacted shipping schedules from our three rail shuttle loaders. In a normal year, we would not have stored the grain as long, especially on the ground. We have grain that is now being shipped on an aggressive schedule through September and as harvest begins, the remaining old crop will be blended into new crop shipments.

This summer's wheat harvest was perhaps as late as it has ever been. Across the Ag Valley territory, reported yields were large – many of you commented on how they were record yields. The region produced more wheat in 2019 on fewer acres than in 2018. To make space and take your crop, we shipped several trains during harvest. I know we had some crazy-busy days and long hours for you and us, but we got through it. Thank you for bringing your crop to the co-op.

My final thoughts on the grain topic involve a look at the markets. The USDA report in mid-August definitely added to the turmoil. We will know more after harvest starts if their yield and acre numbers are correct. Will the trade issues be resolved? I don't know; we can hope so. Until some resolutions come forth this will continue to affect us locally. One example is the amount of milo from the U.S. going to the world market has been reduced the last couple of years. Lately it has been difficult for the U.S. to find buyers for milo and prices in the Midwest and Ag Valley reflect that.

Your co-op has many longstanding employees in the grain department who have dedicated their careers to serving you and Ag Valley Cooperative will continue to serve you. Weather, Markets, Tariffs, High Yields...It has certainly not been normal this year or one that any of us will soon forget!

### **Taking a look...**

I want to make you aware that Ag Valley is currently working with a team from Land O'Lakes to take an in-depth look at the business structure of the cooperative. The Leadership Team and Board of Directors chose to do this to provide Ag Valley with a perspective of how the co-op has performed in the past and provide strategic information for the future.

Land O'Lakes calls this process an "Optimization Study" and have completed similar studies with 25 other cooperatives across the United States. This study started in mid-July and is expected to be completed sometime in October. The Land O'Lakes team will do several projects to gather information such as analyzing financial data and sales trends, employee interviews, looking at our region/competitors and touring our locations to evaluate the company's assets.

We need your feedback as well. Could you assist us in a couple of ways?

1. Please fill out a short survey to provide your perspective on Ag Valley. Go to our website: [www.agvalley.com](http://www.agvalley.com) and you will find a link on the main page. It won't take long and no personal information is gathered. (Some of you many have received this request via email or by our market text).
2. Land O'Lakes will be selecting a small group of customers for one-on-one interviews in September. These will be conducted by their staff and again, all the information is compiled so no one is identified in the results. Those selected will be contacted by letter and phone. Please consider doing this if we contact you.

The cooperative has faced some challenges, so this will be a good process for us. We will learn how we can improve our relationship with you (the owners of Ag Valley), analyze the business dealings of the co-op and make plans for the future. If you have questions about this process, please don't hesitate to contact me. To all who participate, I give my thanks.

### **Final Thoughts...**

-Have an enjoyable Labor Day Weekend! -Stay safe! – God Bless, Kent



### **Energy News**

Ag Valley's energy department is now offering a fast, easy way for our customers to order fuel! The order form can be found on the energy department's website page and allows the customer to specify their choice of fuel to be delivered. Check it out today at

<https://www.agvalley.com/order>!

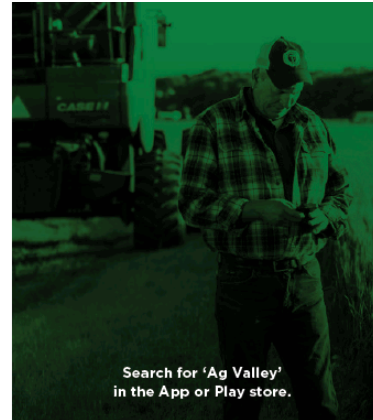
# YOUR BEST HARVEST STARTS HERE

Ag Valley Co-op app provides real-time harvest information from us to better serve you.

**Cash bids, Contracts, Tickets, & More  
All in the palm of your hand**



POWERED BY **BUSHEL**



Search for 'Ag Valley'  
in the App or Play store.

**“The Bushel mobile app platform integrates into a grain elevator’s accounting system to provide growers access to their contracts, scale tickets, prepay, cash bids, and markets. Bushel provides real-time, actionable information to growers, and tools for elevators and growers to easily do business together.”**

For more information on the Bushel app and how it can benefit your operation, visit <https://bushel.ag/ag-valley-co-op/>!

## Feed News

**Effective August 23, 2019**

**Due to biosecurity and regulations, the Feed Dept of Ag Valley Co-op will no longer be accepting the return or refilling of used tote bags.**

**Thank you for your understanding and cooperation.**



POET, the world’s largest ethanol producer, announced they will reduce production rates at half of their 28 ethanol plants and idle production indefinitely at an Indiana plant. This will reduce corn processing at POET facilities by 100 million bushels. For perspective, that equates to 850,000 ton of DDG that will not be produced this year from POET alone. For now, POET is the only ethanol producer that has announced such reductions in manufacturing; however, other ethanol plants may follow suit to stay competitive in the marketplace and DDG supplies could become tight, difficult to source, or just expensive. We will keep watching this closely as things unfold in the coming weeks. As our service to you, we will continue to look at alternative feedstuffs for your fall and winter feed needs.

Contracts on Cubes and Tubs are available for fall and winter season, please contact any of the Ag Valley Feed Team members for current pricing.

## Cambridge Answer Plot

Ag Valley Cooperative is excited to announce the addition of an Answer Plot in Cambridge, Nebraska! Winfield United created the Answer Plot program to be able to test a variety of products in different environments to see how they perform. The data from these plots is then



compiled after harvest into AnswerPlot.com for producers and agronomists across the country to see. This data can help producers determine which products to use for the next growing season.

This past spring, the Cambridge Answer Plot was planted with corn, soybeans and sorghum. The planting and harvesting processes are completed with equipment from Wintersteiger, like the one pictured to the left. These machines are created to process the data obtained from the field quickly with extreme

accuracy. According to Adam Sandager, a Winfield United Research Manager, the combine can measure weights down to the hundredth of a pound!

Since weather can be unpredictable at each plot location, Winfield United places John Deere Field Connect weather stations at each Answer Plot. These stations capture data like air temperature, wind speed and direction, humidity, rainfall amounts, etc. explained Sandager. With this additional information, a more complete story can be shared on how and why a product performed the way it did.



*Agronomists Observing Corn Roots*



*Winfield United Rep with Agronomists*

Ag Valley Cooperative looks forward to sharing the different trials that are taking place at the Cambridge Answer Plot! With the data from our Answer Plot, it's easy to determine which products will work best for your field. We invite you to come visit and observe the different trials that are taking place at the Answer Plot this season. Anyone is welcome to observe the plants, split stalks, pull ears, etc. in the demonstration area. Contact your local Ag Valley agronomist for more information.