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VISION



What's Happening at Ag Valley

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On Sunday evening, August 6th, Ag Valley Coop had a 1.1 million bushel bin in Edison collapse. It was full of corn and we were very fortunate that it happened when there was nobody around and for that we are thankful. We are close to getting the site cleaned up. Our insurance company and their engineers have been here since the collapse and have overseen the clean-up. They have pulled a lot of metal from the collapse and that will help them determine what caused the bin failure

We will begin work immediately on getting the new leg up and operational once the site is clear. A new bin has been ordered and will be here and ready to be put up once we determine that the foundation has not been damaged.

In the meantime, harvest is fast approaching and our goal is to provide you with the space and the dumping capacity, without using augers, to handle your crop. With that in mind, your Board of Directors has met and approved the purchase of two drive-over belt conveyors along with putting up bunker walls on the grain pads on the east side of the highway in Edison. Those two conveyors together will dump 30,000 bushels per hour and the bunkers will be able to hold about 3.8 million bushels of corn. That will replace the storage we had in the bin and with the two drive-over conveyors, will allow you to dump quickly and get back to the field.

On Monday morning, August 14th, we had a flash fire in the Dry Fertilizer Plant Leg in Edison. We were elevating 90% Sulfur into the overhead bins and the dust from that product ignited and caused the flash fire. No one was injured and the damage was confined to the chain conveyor in the pit and the leg.

We know that we are coming into the fall dry fertilizer season and we have taken some steps to insure that we will be ready to handle your dry fertilizer business when you are ready for us to go to the field. We purchased a 10-ton floor blender that was delivered on Friday, August 18th. It will sit inside the plant in Edison and is operational today. This is a temporary solution that has allowed us to blend and mix dry fertilizer and allowed our spreaders to get back to the field.

Our engineers have looked at the leg and have cleared it for temporary use until the replacement leg can be manufactured and shipped. The manufacturer has started making the temporary repairs and we expect to have them on site and installed by the first week of September. We would expect to have the main system up and operational again by that first week of September. The replacement of the leg and other equipment will take place this winter after the fall season is over.

We understand that you have options every day when it comes to where you do business and Ag Valley Coop does not want to take that business for granted. We will obviously have some challenges as we move into the fall season, but we are taking the necessary steps to try and minimize the impact of these incidents on the service that you have come to expect from us. We will do everything we can to make sure your needs are taken care of.

Thank you for your business and your continued support.



Most of us were able to witness a once in a life time total solar eclipse that crossed part of Ag Valley area on Monday. Some like to refer to the August USDA Crop Production as an eclipse. It cast a shadow of doubt over the grain markets. The markets haven't come out of that yet so maybe the data we get from the farm tours could shed a few rays of sunlight back on the markets. This year for some reason many have been anticipating the crop tour numbers. This week was the start of the Pro Farmer crop tour. ProFarmer tour continues, numbers from Nebraska, Indiana and Ohio have been coming in above some of the trade averages while South Dakota came in below average though stronger than what our sources in that state have implied. Those participating in the tour Wednesday were reportedly struggling to get a good gauge on the crop as they contend with variable field conditions and recent rains in parts of the Iowa and Illinois. This year the word would be extreme variability. The weather challenges at planting and during pollination make many suspect of the USDA current national average of 169.5 bu. per acre for corn and 49.4 per acre for soybeans. Will the Crop Tour expectations be enough to jolt the markets? Will the results show that we already have seen the largest production numbers of the 2017 growing season or will the yields improve with the rains in the past few weeks?

USDA will issue the monthly crop report on Sept 12th. The quarterly stocks report will be Sept 29th. There is a lot of speculation as to how big this year corn and beans crops will be. FSA will give an update September 12th but many market watchers will be keeping an eye out for adjustments in coming months. Market will be watching SA plantings coming in the next few months. Brazil's soybean plantings may be higher this year although lower yields are expected, resulting in a decline in total production from this year.

Sept wheat closed below the psychological level of \$4.00. Story continues to be Russia's large crop to cap any rally attempt in U.S. wheat. In the May 2017 World Agricultural Supply and Demand Estimates (WASDE), 2017/18 Russian wheat production was projected to be 2.46 billion bushels. In the August WASDE, the projection was 2.85 billion bushels. Adding almost 400 million bushels of Russian wheat to the world's hard wheat supply has resulted in lower prices. The decline in FOB values and the crop getting bigger. There are renewed concerns about the Australian wheat crop. There are additional concerns about frost damage to their wheat crop from the seriously cold temps this past weekend. Japan has been a buyer of wheat from the US lately. EU exports are uncompetitive against Russia by at least \$15-\$20 per tonne. China continues to access their state reserves wheat supplies. Looks like wheat acres will decline again this fall like we seen last year due to low prices.

Fall Harvest discounts this year will be similar to 2016. Harvest discounts will be mailed out at a later date. As a reminder, our policy does not allow open store bushels to be applied to a future delivery contract. We ask for your patience this fall. We anticipate good yields and pray for continued good weather. Thanks for choosing AVC as your harvest partner.

Fall Harvest is rapidly approaching. Your friends at Ag Valley Co-op are bracing ourselves for the vast amount commodities to be hauled to market. We would like to remind the producers that we will have limited trucks available for this busy season approaching. We are working together with the other departments adding agronomy trucks to our fleet for harvest. We will do our best to assist you in getting your commodities to town. With Ag Valley Co-op's agricultural base we realize how stressful it can be as a producer fighting to get your crops out of the field before the weather changes. We ask that you contact us ahead of time to schedule a truck. Feel free to call our grain dispatcher, Mark Shaw @ 1-800-228-1352 or stop by the Edison Office and discuss getting a truck for harvest.

Thank you!