



2015 HARVEST NEWSLETTER

COLUMBIA COUNTY GRAIN GROWERS

HARVEST IS QUICKLY APPROACHING

CROP SURVEY CARDS

Please fill out and return the crop survey cards enclosed. We use these cards to project intakes at each station in order to develop shipping strategies and allocate bin space. Please respond to this survey.



CROP DIVISIONS

If you have any changes or would like to double check current crop divisions, name and/or entity titles, please contact the office. This is vital to us in allocating bushels appropriately. Crop divisions are made as we input receiving tickets on a daily basis. If you do not want a crop division made until the lot is closed or until you have had an opportunity to review all intakes, please notify us.

HARVEST HOURS

Harvest hours will remain from 8 am to 8 pm. Please notify the office as soon as possible if wanting to deliver to an elevator that is not consistently manned throughout harvest so we can put an operator in place.

OFF COAST PRICING

Please review the attached sheet for more information on our change to quoting coast prices. Please refer to page 3 for more information.

FISCAL YEAR 2015

CCGG earned a record profit this year, please look at page 4 for the results.

HARVEST LOGISTICS

Barley

Barley will not be taken at Lyons Ferry during the 2015 harvest. The lack of a solid export program continues to plague the barley market and we do not have adequate binning space at the river.

Specialty Crops

Peas, Garbanzo beans and all other specialty crop storage space is being determined now. We will make all attempts to handle legumes at the closest elevator, however the handling characteristics of specific elevators must be taken into

consideration. Please be sure to fill out and return your survey cards so we can contact you on where certain varieties or different processors commodities will be handled.



Visit our website
for daily Cash Bids
& Commentary at:
www.ccg.com

For more
information on
HTA contracts or
more dynamic
marketing options
contact Rick in the
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COLUMBIA COUNTY GRAIN GROWERS

MARKET UPDATE

The past year has been an eventful one in regards to wheat prices.

Geopolitical concerns in the Black Sea region drastically shifted speculative money in the markets over the last twelve months. Concerns over the Russian occupation of the Crimean peninsula and reaction to a Russian export tax in late December allowed for the opportunity to price grain at some decent levels. Unfortunately, the fundamentals of the Black Sea concerns did not match the positive price action due to grain continuing to be sold and moved out of the region at high volumes and levels that undercut the world wheat market.

From a macro perspective if you subtract the Russian influences we are looking at high carryovers from 2 record corn crops and 2 record global wheat crops in a row, as well as, a high dollar making it more expensive for overseas countries to purchase U.S. wheat.

In the PNW we harvested a below average wheat crop that was riddled with undesirable high protein white wheat. Portland had to pay up for specific quality wheat which was price supportive as a whole in

relation to other wheat growing areas in the U.S.

Currently Chicago futures are range trading between \$4.65 and \$5.40 a bushel. Basis prices from Portland are indicating above average demand and ultimately bringing our Dayton window price over the last 3 months for white wheat to levels between \$5.50-\$5.80 a bushel.

HRW and SRW harvests are starting up in Texas and Arkansas with quality concerns to be expected as the region has received 600% of average rainfall over the last 2 months. Global wheat production numbers are on the decline from initial estimates after a rain soaked Indian crop, and the development of an El Nino pattern has some areas of the EU and Australia dryer than normal.

Overall at this point and time the market in Chicago is reactive to a higher dollar without enough confirmation of weather related issues to influence the futures board higher. However, local quality tightness and the current crop outlook from Portland has basis giving us an above average cushion from these lower futures levels.

COAST PRICING

Starting July 1st, Columbia County Grain Growers will begin quoting “coast” prices.

Coast Pricing (Quote Structure as of July 1)

- Coast price indicates the price of grain delivered to an export elevator in the Columbia River District (Portland/Vancouver/Kalama/Longview).
- All price quotes as well as settlements and contracts will be based on a coast price.
- Coast pricing is a more candid way of quoting the true value of grain as opposed to our current method.
- The majority of cooperatives in the PNW are currently or trending towards quoting coast prices.

Dayton Pricing (Current Quote Structure)

- Currently prices are backed off of a Portland “coast” price to a Dayton price with freight premiums added back to the Dayton price to determine the price for grain delivered to a specific elevator.
- This method makes it more difficult to determine the price per bushel that is actually received at the elevator.

Off Coast Rate by Location

- Coast Price - Off Coast Rate = Price per Bushel of Grain Delivered to a specific CCGG Elevator.
- Off coast rates contain the freight, handling, inspection, and delivery premiums incurred in delivering grain to Portland.
- Barge tariff rates have dramatically changed. Base rates have increased with fuel surcharge thresholds being reduced. Overall, barge transportation is slightly higher with base rates up and fuel surcharges down.
- Applicable fuel surcharges or credits as well as other current fees will still be applicable on settlements.

• **Off Coast Rates per Elevator as of July 1st**

Lyons Ferry	.50
Delaney, Relief	.60
Alto, Lower Whetstone	.61
Dayton, Huntsville, Longs, Turner	.63

All existing contracts will stand as they are and be settled with the “Dayton” pricing method.

If you have any questions please call the office.

Best Regards,

Mitchell Payne

Manager

FISCAL YEAR 2015

	2015	2014	Increase (Decrease)
Statement of Operations			
Sales	\$ 36,052,614	\$ 51,562,214	\$ (15,509,600)
Cost of Sales	33,881,203	49,845,238	(15,964,035)
Gross Margin	2,171,411	1,716,976	454,435
Handling and Storage Income	1,074,011	1,291,337	(217,326)
Other Income	103,077	47,222	55,855
Total Income	3,348,499	3,055,535	292,964
Operating Expenses	2,161,916	2,037,067	124,849
Interest Expenses	15,749	62,319	(46,570)
Total Expenses	2,177,665	2,099,386	78,279
Margin Before Income Taxes	1,170,834	956,149	214,685
Income Tax Provision	3,241	11,988	(8,747)
Net Margin	\$ 1,167,593	\$ 944,161	\$ 223,432
Balance Sheets			
Current Assets	\$ 4,198,602	\$ 4,612,988	\$ (414,386)
Plant, Property & Equipment - Net	4,789,704	4,763,283	26,421
Investments in Cooperatives	261,955	240,580	21,375
Total Assets	\$ 9,250,261	\$ 9,616,851	\$ (366,590)
Current Liabilities	\$ 1,326,723	\$ 1,934,591	\$ (607,868)
Deferred Income Taxes	33,780	29,360	4,420
Long-Term Debt	857,144	1,142,858	(285,714)
Patrons' Equities	7,032,614	6,510,042	522,572
Total Liabilities and Equities	\$ 9,250,261	\$ 9,616,851	\$ (366,590)
Working Capital	\$ 2,871,879	\$ 2,678,397	\$ 193,482
Bushels Received	5,183,285	6,577,195	(1,393,910)

HAVE A SAFE AND PROSPEROUS HARVEST!