

As I write this article, it seems as though time has stood still from last August. Temperature's in the 100's and no rain in sight for as long as the forecasters dare to stick their neck out. A repeat of last years summer is again doing a number on our fall crop prospects. Wheat harvest on the other hand was a blessing. More acres and outstanding yields make for record volumes. Your Cooperative received 2,026,000 bushels of wheat this year. A record volume and good quality as far as test weight is concerned. The baking quality as far as the flour mills are concerned was a little less than they would like, but makes good blending material. Your group of employees did an excellent job of handling such a large early harvest. Our first loads came on May 21st, also a record for your company. Making room for a fast growing fall crop has had it's challenges, but we are ready. With the first corn coming in the middle of July and our first loads of milo on the first day of August, all crops are 2 to 3 weeks ahead of schedule.

The Burden grain storage project was ready in the nick of time to help with the wheat harvest rush. Final touches will be made by early fall.

Many projects have happened over the past eleven years which have enhanced the cooperatives ability to address the memberships changing needs. We have spent around \$7,000,000 on capital improvements. To do that we have borrowed from banks only around \$1,925,000. Some of the improvements have been, grain storage bins at Kellogg and Burden. Upgrading aeration at all 6 facilities so that we can handle the fall crops better. We have spent several million dollars on repairs and maintenance which are in addition to the

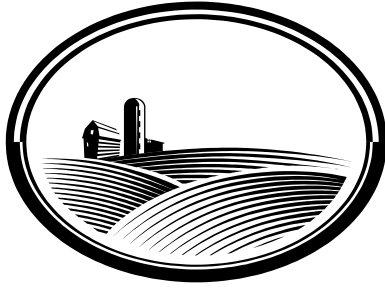
capital expenditures. We have increased our application equipment from 3 row crop machines to 6 and have 2 dry floater machines. At an average cost of \$300,000 per machine, you can see that it takes a lot of equipment to keep pace with the agricultural environment we are in today. Our feed delivery equipment has been updated over the past few years as well.

During this timeframe we have also paid to producers, Estate payments of \$607,000, revolving fund payments of \$772,000 and this year made our first retired member equity payment of \$52,000. Plans are to make another revolving fund payment this September.

We have grown working capital from \$196,000 in 1991 to over \$1,299,000 in 2012. Retained earnings have grown from \$316,000 to over \$3,990,000. Members Equity has grown from \$1,417,000 to over \$6,219,000. Local savings have been very good over the last several years and has allowed us to do many of the things we have done. We have returned between 40% to 60% of patronage in cash the past several years. Our membership in the CGM grain marketing alliance has returned big dividends and allowed us to fully use our space along with the rest of the groups space to it's fullest potential. Leveraging our strengths and weaknesses with others strengths and weaknesses has been a tremendous opportunity for your coop.

We appreciate your business and look forward to serving you in the months and years to come.

Richard Kimbrel
General Manager



FIELDNOTES

As fall harvest progresses for some, others have opted for a hay bale rather than a combine. Row crops looked very promising early on along with good moisture for double crop after an early wheat harvest. Then the unrelenting HEAT returned. Similar conditions to last year are spelling the same results, failed acres.

Looking ahead to 2013, I have been getting several calls for seed wheat. New varieties are in tight supply but we can still get the following: Everest, Armour, Art, Santa Fe and Fuller. Call for pricing and packaging: True Bulk, Mini Bulks (2000#), or 50# paper. Also get your wheat seed treatments scheduled. With great growing conditions for wheat this past crop really responded to seed treatments, many reports of 10 or more bushels per acre vs. non treated seed.

Test plots have suffered through the heat as well, but some varieties have shown a terrific ability to handle stress. Here are few examples to keep in mind for next year. Corn: 100 day 40VC09, 105 45Q50, 113 53VP61 and 114 day 54VC81. The last one would work great on irrigated acres as well. Soybean: 33RY47 tall upright, 37RY47 bushy, quick to canopy, 4700S narrow or wide row and 4733S great flexibility in planting dates. All 4 are R2Y / STS and are 4.7 maturities. They have handled the stress well and still have potential to yield if we get moisture and cooler temps. Milo: 742C medium/early cream, 766B medium bronze and 2 promising experimental varieties that have performed very well. We will keep you posted on Valley Coop's website as plots are harvested. A big THANK YOU to those producers that put in plots this year: Ken Rich, Jason Pirtle, Raymond Knoll, Kenny Simon, Dan Taylor, Roger Rierson and the Kellogg location.

Hoping the heat fades away and some timely rains find their way to your farm.

Kirk Kennedy

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Valley Coop, Inc. will be closed Saturday September 1st and Monday September 3rd other than for harvest activity in observance of Labor Day.

Please have a safe holiday!





Since it has been so extremely hot, the spraying and fertilizing have stopped. We have been taking corn. Test weights have been light and most aflatoxin levels have been within acceptable limits.

We have had some good results on some tests that were done with a crop nutrient-VersaMax. If you are interested in learning more about the test results please give us a call.

We have been using our extra time doing some needed facility maintenance. Painting, dock repair, cleaning and maintenance on our rolling stock and several other projects.



The heat has increased our tire sales and repair. Keep us in mind. We have many sizes in stock and we can have your special order in a couple of days. Give us a call for pricing. We are usually very competitive. Most tire pricing includes mounting and balancing.

Labor Day is coming up in our community. If you haven't been up to our town celebration you should come. It is a fun family day. A parade, games in the park, water slides for the kids, farm yard Olympics, craft show, special country music on the church lawn, blood mobile, lunch from several vendors, bingo, free watermelon (all day), prize drawings, and free ham and beans for all for supper. All of this is on Monday. We also have BBQ on Saturday evening. If you like good BBQ you would enjoy this as well as the homemade ice cream that follows it. Free will donation. There will also be a dance later in the evening in the park or a softball game at the ball field for any adult adventurous enough to play. Most of us will be participating with the festivities in some way. Come on by and say Hello!

Recently heard in conversation in our lobby: It is so dry up here that a snapping turtle was seen going down the blacktop carrying a canteen and a backpack!

Have a safe fall season.

The Atlanta Crew,

Darren, Katherine, Jimmy, Terri, Mike, Andy, Ric and Justin

Hello from Beautiful Downtown Winfield

So far not a very good start for a fall harvest. I have not been around the coop as long as some, but it's the worst I've seen in twenty-one years. We can hope next year we have a great wheat harvest and a great fall harvest! I got an e-mail from Rick showing the drought over the last 113 years. This year is right up there with the drought of 1934 and 1936. If records are meant to be broken, this is one we surely could have passed on.

We have sold a truckload of protein tubs already and just got another in last week. So far it only takes a few days to get a truckload in. We have been doing business with PVM for fifteen years or more.

It's Tuesday the 14th and we got a quarter of an inch here in town. Hope this primes the pump.

As always we are here for you. Come see us and bring your dog in for a biscuit or two on us.



Ron, Bob and Todd



Bean Bake

Recipe Submitted by Rebecca Romero

1 can lima beans (drained)
1 can kidney bean (drained)
1 can baked beans
1/2 lb bacon

1/4 lb cubed american cheese
1/3 cup brown sugar
1/2 cup white sugar

Fry and crumble bacon. Combine all ingredients. Bake at 300 degrees for 2 hours.

News From the South



Well, it's August, and it's hot. Really hot. Besides the heat and abnormally dry conditions, things are going pretty well around the Hackney area. Most of the dry land corn has been harvested and the irrigated crop is starting to come in steady. We had below normal yields but with the amount of acres in the area managed to get a fair number of bushels in the elevator. I would like to thank all of our patrons who hauled in corn this year for their patience and understanding with our aflatoxin testing procedures. It's been challenging at times to say the least. With the variation we see among the test results it can be frustrating for us as well as the producers.

So far, we have taken in about 30,000 bushel of Milo that has been decent quality. I would expect some lighter test weights at some point but so far the milo crop has been a little better than I anticipated.

We are now selling a 28% protein tub which is identical to the tubs being sold at our Manning Street location. We have more available warehouse space if anyone else has any more suggestions.

I would also like to welcome Dave Wixon to our staff here at Hackney. Dave will be driving our feed truck and helping out wherever needed. Until next time, I would like to wish everyone a safe fall harvest and thank everyone for the continued support of their cooperative.

Todd, Court, Stacie, Dustin, Les, Tyler, and Dave.

HAVE YOU HEARD THIS ONE?



The farmer's son was returning from the market with the crate of chickens his father had entrusted to him, when all of a sudden the box fell and broke open. Chickens scurried off in different directions, but the determined boy walked all over the neighborhood scooping up the wayward birds and returning them to the repaired crate. Hoping he had found them all, the boy reluctantly returned home, expecting the worst.

"Pa, the chickens got loose," the boy confessed sadly, "but I managed to find all twelve of them."

"Well, you did real good, son," the farmer beamed. "You left with seven."