

**T**he new year has arrived. Seems to be a continuation of the old at this point with market gyrations in grains and fertilizers continuing at a dizzying pace. I hope you all had a great holiday season.

The end of 2008 also brought the close of the first partial year of CGM, LLC, our grain marketing division, to a close. The first group of 3 entered the LLC in February 2008. The second group in March and the third group in April. All bringing various assets to the group. It has been a lot of work for all involved but at years end it has proven to be just what we expected it could be. Even with small amounts of grain until the June wheat harvest it has allowed us to reap many benefits.

One of the largest benefits is the reduction of the groups terminal storage expense. Average terminal storage expense for the 10 companies involved has been around \$680,000 per year. This year we recorded for the group a terminal storage expense under \$9,000. Because of the volume of wheat received and our personal history this alone will have put over \$100,000 on our bottom line for the current year. Having grain in position to move to the right market when it presents itself has also benefited the group as a whole. If you have grain in terminal, you are locked into that market and may miss opportunities when they present themselves.

We have been competitive in the market place a majority of the time. We will continue to do our best to put a competitive bid to the market that represents the end users markets at any given time. We do our best not to speculate with **Your** assets on the line if we miss calculate the market. It is not in our nature to take more than necessary to operate a profitable business. If we make money, which is our ultimate goal so that we can keep **Your** assets in good condition, we will return it as patronage to you.

CGM, LLC had gross savings of over \$15.2 million dollars. They have returned over \$3.7 million storage revenue and over \$4.7 million handling fees to the owners. After all the other expenses there was an additional \$5.3 million to distribute to the owners on an ownership basis. Your coop's interest is 8.09% in CGM, LLC. It has been a great first year and the outlook for the coming year is bright at this point. Continue to pray for good weather and good crops.

### **ADM Arkansas City Producer Direct Delivered Wheat Bid Now Available**

It has taken some time but Valley Coop, Inc producers may now deliver Wheat to the ADM facility in Ark City.

We will have a posted bid for Wheat delivered to the ADM facility posted daily. It will fluctuate just as all grain bids tend to, but at this time it is several cents per bushel above our local elevator bids. The Wheat delivered to the facility must meet milling quality standards at time of delivery.

In order to deliver to the ADM facility and continue to deal with Your local Coop, you will need to pickup a bill of lading which we will provide to you, from any of our locations. You will fill out the bill of lading showing delivery to ADM in Ark City for the account of CGM, LLC. You will then need to bring the bill of lading and scale ticket to your local Coop office for further processing to your account. A contract number will have to be on the bill of lading.

We expect this to be a benefit to both you the producer and Valley Coop, Inc as your Cooperative partner. Other direct ship bids are available to other terminal facilities. Check with your local Coop facility for details as this is an evolving process.

### **Please contact any Valley Coop location for further details.**

During the past year the ADM flour mill in Ark City held CGM coops to higher standards than they did producers on grain specs they would take from the CGM facilities. At first it was 12% protein it later dropped to 10.5% to 11%. We also had to have 58 plus test weight to begin with, it later dropped to 57 plus. Meanwhile producers were allowed to deliver any quality they pulled on the scale with. In the past Valley Coop has shipped hundreds of thousands of bushels to the flour mill for storage to keep the elevators open at harvest. This past year we would not have been allowed to send most of our grain that direction because of the quality issues. We hope to get these resolved before the coming wheat harvest. We ask your patience and understanding as we work through these difficulties.

We look forward to working with you in 2009!

Richard Kimbrel, General Manager



Agriculture as we knew it, changed forever in 2008. Unbelievable historic highs followed by near collapse in the markets. Input costs spiraled out of reach and although they fell, most would agree not near enough. We find when comparing what it will cost per acre to grow a crop, to past years is a real guessing game. Seed costs are up, tires are up, fertilizer is still high, ag chemicals all took an increase. On the down side, feed fell somewhat as it followed the grain markets, and finally some relief from high gas and diesel prices. Will it stay? Or continue the roller coaster ride? Who really knows?

Floater tires were installed on the Case row crop machine this winter to allow a wider footprint when topdressing wheat. This should help us get on your acres a few days quicker than before. Terri will probably run them through the burn down and pre-emerge season before switching back to the narrow tires for in crop applications. They do increase the overall width from 12 ft to 13.5 ft. Hopefully this will not create any problems getting into your fields. The Miller Silver Wheels dry spinner truck that Darren drives has been in service about 1 year now. It was equipped with auto steer and applies a 80 ft spread pattern. The technology for application equipment is mind boggling, auto steer, auto boom shutoff, auto boom height adjustment, watch yourself on the screen as you apply a swath. Pretty soon will be operating from our easy chairs with a remote in our hand. Well maybe not that soon!

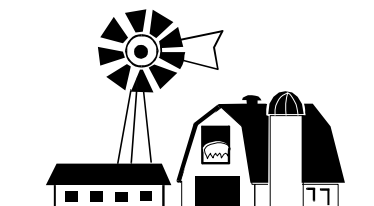
As of this writing our elected officials are finishing their first thirty days of the 2009 Legislative Session in Topeka. You exercised your right to vote by electing them. I would encourage each of you to take the next step and stay in contact with your Senator or and Representative as they debate new legislation. They really would like to hear from all of us as they choose to vote for or against the bills brought before them. Give them a call!

We are ready for the busy spring season as the time nears. Seed and chemical are being delivered to our warehouses to meet your needs. Trying to keep the fertilizer plants full so we don't run out. The year 2008 was a trying year in many ways, no doubt 2009 will leave its mark on us as well. Wishing you all a prosperous and safe spring.

Kirk  
Joe

Katherine  
Jimmy

Darren  
Terri



# Kellogg Comments

---

As winter passes and we start to think about spring, I would like to thank all of our patrons for their continued support of our feed mills. To say the least we have had a real battle of trying to make a good solid cube. All of the nutritional ingredients are there, but we just couldn't seem to make them stick. We don't know if it was just the year and the conditions that the crops were grown in or what. We have tried a new cube die, but at over \$7000.00 a pop it's just not something you put on new every month. As I write this, I feel that we have come up with a fix. We did set two new production records. Our old record stood at 385 ton of cubes produced in one week. We produced 410 tons of cubes and then the following week we made 435 tons. Again I thank all of you for being patient and working with us.

As we gear up for spring planting we have a good supply of fertilizer and seed. Soybeans don't seem to be in short supply as they were a year ago. It's not too late to topdress those wheat and brome acres. Now is also a good time to spray those acres for spring planting for marestail. Marestail is a winter annual. It will be a rosette looking plant, a lot like a mustard. Sometimes it is overlooked, thinking that it is a mustard plant. Spraying now before it bolts is the best time and the least expensive time to control it.

Thanks again for your business. We look forward to helping you any way we can.

The Kellogg Crew,

Donnie, Ingrid, Mark, Stan, Roger, Tony, Larry and Logan

## News from Burden and New Salem

---

It's business as usual at the Burden elevator. We finally got all of our soybeans shipped out and are currently moving fertilizer.

Feed sales have been good through the winter and we want to thank all of you for that. Planting season is soon approaching and we have milo and beans available.

If we can be of any assistance to you in any way, let us know. Thanks for your continued patronage.

Bill, Nick & Bobby



# OFFICE CHATTER

Several years ago I wrote an article about identity theft that continues to be an ever-increasing problem today. I recently received information written by a Corporate Attorney that he distributed to his employees with additional ideas for the prevention of identity theft. I will share a few of these with you.

1. Do not sign the back of your credit cards. Instead, put "Photo ID Required".
2. Do NOT carry your social security card in your wallet/purse!
3. Do NOT have your SSN printed on your printed checks!
4. When you are writing checks to pay on your credit card accounts, DO NOT put the complete account number on the memo line of the check. Instead, just put the last four numbers. The credit card company knows the rest of the number, and anyone who might be handling your check as it passes through all the check processing channels won't have access to it.
5. Place the contents of your wallet on a photocopy machine. Copy both sides of each license, credit card, etc. and keep the copies in a safe place. In the event of a stolen wallet/purse, you will know what was in your wallet and have all of the account numbers and phone numbers to call and cancel.
6. Here is some critical information to limit the damage in case your wallet/purse is stolen:
  - A. Cancel your credit cards immediately, which is easy if you have copied the contents as noted in number 3 above.
  - B. File a police report immediately to the jurisdiction where your credit cards, etc. were stolen. This proves to credit providers you were diligent, and this is a first step forward in an investigation.

But here's what is perhaps most important of all:

Call the 3 national credit reporting organizations immediately to place a fraud alert on your name and also call the Social Security fraud line number. This will help eliminate unauthorized applications for credit being made over the internet in your name. To report fraud:

**Equifax – 1-800- 525-6285, Experian- 1-888-397-3742 , TransUnion- 1-800-680-7289, and Social Security Fraud Line- 1-877-438-4338**

Check your credit report annually to make sure there is not any incorrect information being reported in your name. As of March 1, 2005, consumers can get on free credit report per year from any of the three major credit bureaus listed below:

Equifax- [www.equifax.com](http://www.equifax.com)    Experian- [www.experian.com](http://www.experian.com)    TransUnion- [www.transunion.com](http://www.transunion.com)

Some of the information may not apply to you, however I hope that this serves as a reminder to keep your identity safe by being alert. Remember --- shred all junk mail and discarded documents that contain information about you personally, using a cross shredder. (Rural persons may burn these items.)

Donna Fagg

# CHAFF IN THE WIND

Hello to all from Hackney ! Hope everyone made it through the winter in good shape. I for one am looking forward to spring arriving very soon as opposed to what that overweight rat

back in Pennsylvania had to say.



As we enter into the spring, our thoughts turn to the topdress season for the wheat crop. If you are considering fertilizing your wheat this spring I encourage you to scout your fields for weeds and cheat in advance of your application order. A walk through your fields now will keep your blood pressure down later, not to mention the good exercise you'll be getting.

In the past we have had producers give us their planting intentions on each farm along with the acres and maps several weeks in advance. This helps us to schedule our time and equipment so that we can be there when we are needed. Just something I thought I would mention because it really helps us.

As always, we truly appreciate your support and look forward to serving you.

Jim M., Jim N, Stacie, Les, Marty, & Hoss

## Hello from Beautiful Downtown Winfield

First off we would like to thank everyone for your business. Things are coming together at the Winfield elevator, slow at times but the bin crew finally finished and Leaming Construction went to work on the piping, drags and our load out augers.

As always, we hope we can fill your needs if it is feed for your animals or grass seed for your lawn. If we don't have it we will try to get it for you. We have several vendors we buy from, and we will find the best product at the best price for you! As the price from the vendors goes down we will in turn lower the price to you.

Steel prices have fallen, but the vendors are full of stock at the price when steel was at the higher price. As their supplies go down the price of what they order in will be lower, we hope.

Fuel has been a trick to buy. You just hope when you need it the price is at a downward spiral. If not you pay the piper.

Ron, Bob, Gary and Grant



## **Santa Fe Soup**

Recipe Submitted by Stacie Charvat

1 lb. hamburger  
1 can whole kernel corn-undrained  
1 can diced tomatoes, undrained  
½ lb. mild mexican Velveeta  
1 can pinto beans, undrained

1 small onion, diced  
1 can Rotel tomatoes  
½ lb. regular Velveeta  
¼ cup milk

Brown hamburger and onion, drain well. Transfer to a crock pot and add corn, beans, and diced tomatoes. In a small bowl combine the Rotel and cheeses. Microwave until cheese is melted, then add to the crock pot mixture along with the milk. Cover and cook on low for 2 hours. Do not boil. Serve with tortilla chips. This is a little warm to the taste, but you can take out the ½ lb. mild Mexican Velveeta and just use 1 lb. of regular Velveeta.