

Valley Coop just closed the books March 31st, on it's 24th fiscal year. It was another successful year. On May 27th the annual meeting will be held and all reports on the year will be disclosed. With the members continued patronage we will continue to build upon the solid performances and grow your Coop. Net local savings for the year were at \$509,000 compared to \$609,000 the previous year. We will be paying out 67% of the patronage refund in cash and 33% in stock. We will also be passing back nearly \$300,000 in DPAD allocation, which will in essence be doubling the allocation to our members. The DPAD allocation is a dollar for dollar deduction from your income. We try to make the best use of your dollars that we possibly can. All this and our company income tax provision is a credit. We look forward to working with our members and patrons in the coming year.

Our RFD (Rural Farm Delivery) of fuel is growing. We would encourage anyone who is not on the system to get fuel delivered to the farm using today's technology of automated monitored fuel systems, to inquire about it's potential for your operations. Our association with the CoMark Energy group is proving to be very helpful in getting not only fuel but also bulk oil deliveries to the farm in order to allow you to be working on other things and not having to monitor fuel tanks all the time. You should contact Ron Kramer, our Manning Farm Store manager at 620-221-2070 or contact Tim Bergkamp, our CoMark Energy representative at 316-542-9911 to get additional information on the programs offered.

As always your board of directors is looking for ways to improve the operations of your cooperative. At the February board meeting it was approved to upgrade the legs at the Winfield and New Salem facilities. We will

be putting in 15,000 bushel per hour legs at each facility. This should effectively triple the receiving speed at each of these facilities. Our goal is to keep you moving as quickly as possible at harvest times. The Winfield leg should be in place by fall harvest of 2014. The New Salem leg will not be in service until wheat harvest of 2015. The New Salem facility will have to have a complete electrical upgrade to handle the new equipment and this will make the conversion take longer and not be able to be completed for harvest in 2014. As the producers continue to get larger and larger harvesting equipment, we will strive to keep up with the needs as time moves forward. It takes a lot of capital to make these investments in your cooperative. These leg upgrades will be a \$1,000,000 investment into Valley Coops future.

Richard Kimbrel
General Manager



**We will be
closed May
24th and
May 26th in
observance
of**

**Memorial Day. Please have
a safe holiday.**

Kellogg Comments

So much for having a spring. Seems like we went from winter to summer. The past winter was another good year for the feed mill. The 2nd pellet mill was finally up and running by November. It is a good thing that we had it. Feed production increased by 30% this past season. Late this spring we installed an air screener system on the load out bins to reduce the fines as we load the nuggets (pellets) on to the trucks. It has helped a lot to reduce the fines. There has been some concern from a few of the producers about the amount of fines that are still present in the nuggets. This in part is caused by the high amount of distillers dried grains that are used to make the 20% nugget. The distillers grains are high in fat. The fat, while an excellent energy source, makes it difficult to bind in a pellet thus making the nugget shorter and softer. A range cube has a limited amount of distillers grains in it making it a low fat, lower energy pellet but making it a harder pellet. This is why I call our 20% pellet a nugget not a cube. We used to make both but the nugget always cost 15-20% less than a cube and is better nutritionally. To make the nugget not feasible to feed, you would have to be losing 15-20% of it when you feed it. So after feeding 2000 pounds, you would have to waste 300-400 pounds. We will not stop trying to make improvements on the pellet quality. Every year I feel that we have improved it. We have come a long way since the fall of 2010 when we first introduced the nugget and it was only a 3/8 pellet. This summer we will be adding a semi-trailer and tractor to our feed delivery fleet. It will be a 24 ton paddle and chain unit like the bob tails that we currently have and Mark Wittenborn will be operating it. If it stays dry, we will start making a 14% protein grass stretcher nugget for you to feed to try and stretch what forages you have.

In other news we have put a new roof on the fertilizer building and have replaced the cement around our outside dump pit. Over the years it had settled making it more difficult to drive up and over the dumping area.

As always thanks for your business and friendship,

Donnie and the Kellogg Crew: Mark, Ingrid, Roger, Tony, Larry, Logan, Ryan and Derek



News From the South

Hello From Beautiful Downtown Winfield

I certainly hope by the time you read this that we will have had some measurable amounts of moisture over the area. We were pretty optimistic about the wheat crop 45 days ago but I'm sure we have lost a significant amount of yield the last few weeks due to drought and "less than ideal" filling conditions. Wheat is a very tough crop, though, so maybe if we catch some rain in the next few days it will give us a chance for some descent yields. Once again we are at the mercy of Mother Nature. As much change as we have seen in agriculture the last several years, one thing remains constant, the weather.

We would also like to welcome our new Feedmill Superintendent to the Valley Co-op team. Frank Reid has been with us for a month or so and I will try to get him around the country as time permits to introduce him to all of our feed patrons.

Hope everyone has a safe Harvest.

Todd, Stacie, Les, Court, Chance, Nate, and Frank

Did we miss spring again this year? It seems we go from winter one day then summer the next. Kansas weather never seems to ease in from one season to the next.

Not much to report. We need rain. I have been told this is the driest year since ever. Things will get better. We are all in this together. We thank God for what we have and continuing to bless us.

I would like to welcome our new employee here at the Winfield branch, Alex Torrez. Come by and say hello and welcome him to the Valley Coop family.

Ron, Todd and Alex

HAVE YOU HEARD THIS ONE?



Sally was in the kitchen when she heard the telephone. She ran right quick to answer because no one else was home.

"Honey? Bring the checkbook, and Honey don't be mad. I got the hiccups at the auction and bought every cow they had."



OFFICE CHATTER

If you are a co-op member, you may be receiving a patronage check (based on your volume of business with Valley Co-op this past year) at the Annual Meeting that is being held on May 27, 2014. Any patronage calculating under \$5.00 has been applied directly to your equities in Valley Co-op. All checks that are not going to be picked up at the Annual Meeting will be available for pick-up on May 28, 2014 at the Main Office- 811 Mill Street, Winfield, KS. All checks not picked up by June 24th will be mailed. We will be mailing a Domestic Production Activity Deduction Allowance (DPAD) notification letter tentatively by November 15, 2014 to those patrons who qualified for the deduction.

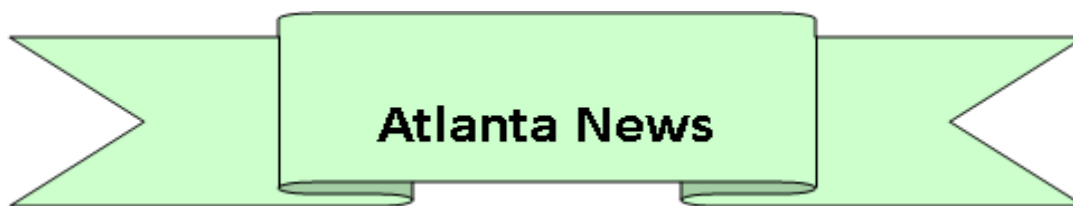
When you get your patronage check, take some time to verify that your name, social security number and mailing address are correct. Please call our office (620-221-4343 or 1-800-221-4346) with corrections. In the event of a death, we have estate redemption forms available at the Main Office. If you have questions, please call Rick or myself. A tax reminder--- the full refund- cash and deferred patronage – is reported as 1099 PAT. This amount can be found on the upper check stub- indicated by TOTALS- (blue arrow) – REFUND and repeated again on the next line that has information highlighted in pink with a red arrow pointing at PATRONAGE DIVIDENDS.

Harvest Notes- Wheat and Fall crops --- **PLEASE** have your truck drivers make sure the correct name and/or farm names are on the scale ticket before leaving the scales. If you have farm name changes- landlord splits – or new farm accounts, please call us ahead of time so these changes or additions can be made onto the system and be up and running when harvest begins. It is a **REQUIREMENT** that each grain customer have their Social Security Number listed on their account information on the computer. Each of the locations will have a form available to record the social security numbers or you may call in to the Main Office or any of the locations to give us this information. There will be **NO** grain checks released without a Social Security Number. In addition, it is important to have each producer either come in or call any of the locations (including the Main Office) to verify grain tickets for each farm. When the trucks are coming in fast and furious- and the bookkeepers are trying to keep caught up posting tickets, there is always a possibility of a posting error and the only way we can check it is to have the ticket verification done by each producer. Years ago we didn't split grain accounts until the producer had verified their tickets for each farm, which held up you and your landlords in marketing your grain. With the grain system that we are now using, if applicable, each ticket auto splits as it is entered onto the computer—which is quicker for the producer and landlord but can have some problems if producer/farm names on the ticket aren't correct or we inadvertently make a ticket entry error. It is much easier to correct a problem “sooner” than “later!” PLEASE call or come in to verify your grain tickets when you are finished!

If you are going to do direct ship grain, you will need to get bill of lading from one of our Valley Co-op locations **BEFORE** delivering to the direct ship location. When you deliver your grain to the direct ship location, they will complete the bill of lading and give you a copy. This copy **MUST** be turned in to one of our locations **ASAP**, as the information must then be entered onto the CGM grain system. As always, please come in or call any of the locations or the Main Office to verify your scale tickets. If there is a correction to be made, it is much easier to correct it ASAP!!

We look forward to serving our patrons another year at Valley Co-op, Inc.

Donna and Rebecca



Kansas weather! You can always depend on it to be ever changing. It is still too dry in this end of the county but at least we have had some moisture. 2 ³/₄ inch hail came with the first rain. We had damage to all of our buildings and equipment.

By the time you get this letter we will be getting close to the 10-12 inch corn. Those that are making their Round-up and herbicide pass should consider a Micro-nutrient package. Past experience has shown us that we have received at least a 10 bushel yield increase with application at the same time. If you have any questions please give us a call.

Harvest will be here soon. We would encourage scale courtesy. Drivers waiting to get on the scales should let the trucks leaving weigh back first. This avoids traffic congestion leaving the elevator.

Remember to stay current on your restricted use pesticide license. Bring us a copy if you haven't already done so. We will have it on record when you are ready to make a purchase.

We continue to stay busy here getting ready for harvest. We continue to offer a variety of services. Fertilizer, herbicide, fuel, oil, tires, automotive supplies, vet supplies and of course coffee for the coffee drinkers. Stop by to see all that we do offer.

Have a great Memorial holiday and a safe harvest!

The Atlanta Crew,
Darren, Katherine, Jimmy, Terri, Andy, Justin & Ric

News from Burden and New Salem

It sure has been hot and dry around here. I didn't realize we were going to jump right into summer. It would have been nice to have our spring rains and cooler weather to help fill the ponds for the year, not only to fill the ponds but to help the wheat and corn crops. We have finished cleaning out grain bins for wheat harvest which is just around the corner. Also we have some soybean and milo seed on hand so come on in and see us. If we don't have what you need we can try to get it for you.

Thank you for your Patronage,

Nick, Alan, John



Cornbread Salad

Recipe Submitted by Katherine Grow

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|--|--|
| 1 16 oz. package Jiffy Cornbread, prepared | 1 cup green onions, chopped |
| 10 slices bacon, cooked & crumbled | 3 tomatoes, chopped |
| 2 cans pinto beans, drained | 2 cups shredded cheese |
| 2 cans whole kernel corn, drained | 1 cup green pepper, chopped (optional) |
| 1 bottle ranch dressing | |

Layer in order: crumbled cornbread, beans, corn, tomatoes, onions, green pepper. Cover with ranch dressing. Top with bacon and cheese.