

**A**nother year has gone by and it is time for our Annual Meeting again. This year we will be holding the meeting at Baden Square in Winfield. Hopefully it will be a little more comfortable than the benches and tables at the fairgrounds. We look forward to seeing each of you there. For a short crop year we came out very well. With wheat receipts of only 18% of our 5 year average and milo receipts at about 50% of our 5 year average, I feel very good about the performance of your Coop. Locally we lost around \$75,000, but with patronage and other extraordinary income we showed a bottom line of over \$341,000 after taxes. The board of directors again approved a 40% cash patronage payment, which will be distributed at the Annual Meeting. Reports from the board and management will be presented, and 3 directors will be elected at this years meeting. We all look forward to a better harvest season this year.

With continued rising cost of fuel, repairs, insurance and other expenses, we are raising our applications rates for fertilizer and chemical application. We will now be charging \$4.25 per acre for application with a \$65.00 minimum charge. We all hope that these costs will stabilize, but realize that there are several forces at work to keep them volatile for some time to come.

It is truly a global marketplace today for all commodities. With all developing countries trying to increase their standards of living, we see more and more changes in the way these countries are using fertilizers, fuels and other products in greater quantities. Demand has gone up dramatically and it is causing great gyrations in the global marketplace. Ocean freight along has tripled on some products in the last 8 months. Problems with supplies as more countries are bidding on them will continue. High water on the river system in the US has spiked fertilizer cost, as they can not get the product off loaded at the terminals. We will continue to see price volatility for some time to come. Hopefully grain prices will continue to stay above traditional levels so that our producer/members can stay profitable.

I wish that I could paint a better picture for you than the scenario I have just outlined, but facts are facts, it is what you do with them that makes the difference.

We look forward to working with you in the coming months.

Richard Kimbrel  
General Manager



# Kellogg Comments

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Looks like we'll be cutting some wheat before long. Hopefully we will actually have a wheat harvest this year. Our bins and equipment are ready to go.

We are currently booking mineral for your summer needs. Phosphate for feed has nearly doubled in price just as fertilizer has. One way to help hold down your mineral cost is to switch to a lower phos mineral. Valley 4% plain or medicated mineral would be a good choice.

After talking to a couple of nutritionists, they say it fits our area well. It may be lower in phos than what you are use to feeding, but green summer forages have a higher phos than dry winter forages. We are using a monocalcium/dicalcium which is 100% available to the rumen, where other companies tend to use a cheaper dicalcium/monocalcium phosphate which is not. Phosphate tends to make mineral bitter, usually the higher the phosphate the lower the intake. The cattle will probably consume a little more of the 4% than the 8%, which will help offset the difference of phosphate intake. With a \$400.00 a ton difference in cost it makes good economic sense.

I would like to introduce a new employee here at Kellogg. Logan Rau has been helping us out this winter and is going to continue to work for us. Welcome aboard Logan.

As always, we look forward to seeing you. Have a safe harvest and summer.

The Kellogg Crew,  
Donnie, Ingrid, Mark, Stan, Roger, Tony, Larry and Logan



## SAVORY CRESCENT CHICKEN SQUARES

Recipe Submitted by Ingrid Elam

3 oz cream cheese-softened  
3 T butter melted (divided)  
2 cups cooked cubed chicken  
¼ t. salt  
1/8 t. pepper

2 T milk  
1 T chopped chives or onion  
8 oz. can crescent rolls  
¾ cup seasoned croutons (crushed)

In medium bowl blend cream cheese and 2 T. butter until smooth. Add next 5 ingredients, mix well. Separate crescent dough into 4 rectangles. Firmly press perforations to seal. Spoon ½ cup chicken mixture onto center of each rectangle. Pull 4 corners of dough to top center of chicken mixture. Twist slightly to seal edge. Brush top with reserved butter then dip in crouton crumbs. Bake on ungreased cookie sheet at 350 degrees for 20-25 minutes.



# OFFICE CHATTER

Our first harvest of the year is over--- that would be our Annual Audit conducted by Campbell, Shaffer & Company, P.C. at the Main Office in late April. Rebecca and I were ready--- glad to see it come and glad to see it over!

If you are a co-op member, you may have received a patronage check (based on your volume of business with Valley Co-op this past year) at the Annual Meeting. Any patronage calculating under \$5.00 has been applied directly to your equities in Valley Co-op. All checks that were not picked up at the annual Meeting are available for pick-up at the Main Office- 811 Mill Street, Winfield, KS. Stop by and see Rebecca, Rick or me to see if you have a check waiting for you. All checks not picked up by June 23rd will be mailed.

When you get your check, take some time to verify that your social security number and mailing address is correct. Please call our office (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.

Now- on to the “next” harvest --- wheat harvest. Have your truck drivers make sure the correct name and/or farm names are on the scale ticket before leaving the scales. 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 better to correct it ASAP!!

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

Donna and Rebecca

# CHAFF IN THE WIND

ONCE AGAIN, A VERY FINE “HOWDY Y’ALL” FROM HACKNEY !! As usual I am struggling in my attempt to compile something worthy of your time and the company’s postage. I could bore you with the standard dose of b.s. but in an effort to conserve energy (mostly my own) I will make this short and sweet.

As we enter into, what appears to be a fairly decent, wheat harvest season I would like to remind you again of the importance of (1) correct names on tickets, (2) bringing the **CLEANEST** product possible to the elevator. Doing the very best you can will save you fuel (not bringing dockage to us) and also eliminating the discounts that are assessed on the entire load. Please be patient with us as we begin our learning experience with the new grain alliance. (3) **BE CAREFUL & SAFE** because there is no need for us if we don’t have you.

Thanks for your patronage: Mitchell, Neal, Blatchford, Nelson, Charvat, & Trobaugh

# Hello From Beautiful Downtown Winfield

With harvest knocking on our door, I hope everyone has a safe and profitable wheat harvest.

I started to tell you about the cost of fuel over the last two years, but it was too depressing to talk about. I have records going back from May 1, 2006 to the present day. Come on in and take a look if you want. We can’t change things, but complaining might make us feel better.

We are handling Quik Crete now, so if you need bagged concrete come see us.

If weeds or bugs are a problem we have the products to control them. Give us a call or come by. We will help you find the correct product for your needs.

Ron, Bob, Gary & Grant

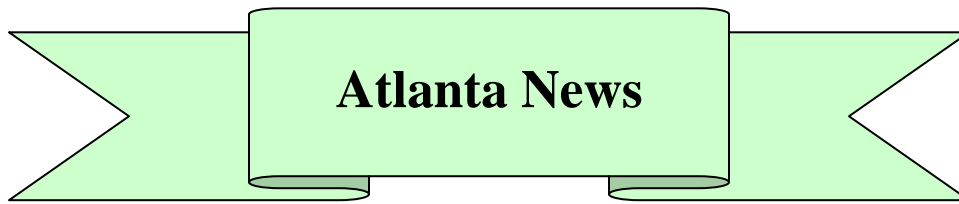
# Greetings from Burden and New Salem

Looks like harvest is just around the corner. We are trying to get things ready to go around here and at New Salem.

As most of you know, soybean seed is running short this year, but stay in touch. We might come up with something that will help you. Milo seed is available, but let us know of your needs as soon as you can.

As usual, I don’t have much to say. Just want to say thanks for coming to see us and have a safe harvest.

Bill, Nick & Marc



Let's visit about soybean inoculants. I've heard several comments this spring on reducing or eliminating soybean inoculants altogether. "It doesn't help yields, I could see no difference on the beans that didn't get inoculated, it's just an unnecessary expense and adds extra time when I could be planting."

Inoculants provide the nitrogen fixing bacteria or rhizobia, which forms nodules on the roots and provides nitrogen fixation for the plant. It is true that rhizobia stay in the soil from previous plantings of inoculated soybeans. At what level the rhizobia are in the soil is debatable. We have known for many years that soybeans use a very high level of nitrogen in their growth cycle. A soybean plant that has been inoculated will have a tremendous amount of nodules on the root system, being a legume this is how the nitrogen fixation takes place. That's why it's critical to always inoculate when growing soybeans on soils that have never grown them before or has been several years in another crop.

I won't try to argue with success, if you're satisfied with your soybean yields without inoculants, skip my article. If you feel like yields have been lagging try this: plant half of a small field without inoculants, the other half with. Note where the line is so they can be harvested and weighed separately. Remember yield differences of 3 to 4 bushels are not always noticeable. Just ask, I can come up with a weigh wagon to bring to your farm.

For the sake of simple math let's assume soybeans are \$10.00 bushel. Soybean inoculants, cost on average \$1.30 per acre and planting rate is 50# to the acre. It doesn't take much looking to see that if a \$1.30 investment yielded only 1 bushel more it would increase your investment 7 times. That's the kind of return we are looking for.

Are you still willing to gamble that there is a high enough level of rhizobia left over in your soils to skip inoculants? Thanks for your time and have a safe and abundant wheat harvest.

Kirk

