

**O**n March 31, 2010 we closed the books on another fiscal year. Another good year for your Cooperative and it's members. Earnings before taxes of \$444,015. Down from our record year last year, but one of the strongest performances of the companies history. Along with local earnings and patronage we also saw some good things with our taxes. This year because of some tax advantages in using the Domestic Production Credit Deduction we were able to use a \$198,000 credit to our taxes and as such bring our total earnings after taxes to \$642,000. After all non patronage business is sorted out we will be paying patronage refunds of \$250,000 back to our members of which 50% will be in the form of cash and the other 50% in stock. We will also be passing back, as we did last year a portion of our Domestic Production Credit Deduction which will amount to \$325,000. What that means to you as a patronage receiving member is that you will receive in cash \$125,000 and credit against other income of \$325,000. That is 1.8 times the amount you will be paying taxes on as patronage income from Valley Coop this year.

As you remember last year we passed on around \$360,000 of Domestic Production Credit Deduction towards the end of last year. Please be sure to give all the information to your tax attorney for computations of this years patronage and credits.

We have purchased a USC seed treatment machine for use in the coming seasons. It's main use will be for Soybean inoculation, but can be used to treat wheat or any other grain as needed. I think you will see more and more use of this type of application in the future. It is more cost effective to do the treatments at the local level than to buy it on the seed. There are some significant cost savings and the application is more uniform than can be accomplished at the seed box. Please ask any Valley Coop location manager or contact Kirk Kennedy at 620-229-

0312. I think you will be pleased with the results.

Harvest is just around the corner. All Valley Coop facilities will be ready to handle your wheat crop when the time comes. Please be sure you have harvest splits made at the locations early so that we may accommodate your needs efficiently. Hopefully the crop will be of milling quality and some of our more traditional avenues for moving our grain will be accessible for us this year. Do remember that we offer "Direct Ship" bids to area terminals. You just need to pickup bill's of lading to use in the delivery process. Please contact Rebecca at 620-221-4343 to acquire these documents and instructions on filling them out. This makes the process much smoother and lets the terminals know how to handle the grain.

We are in the process of upgrading aeration at several locations. As we continue to see more and more fall crops being harvested we need to continue to bring the elevators up to date in handling the varied products that we handle today. The days of Wheat and a little Milo are long gone at this point. We will continue to keep your assets in tune with the times we are in as we go forward.

Wishing all of you a great Harvest season and year.

Richard Kimbrel  
General Manager

# CHAFF IN THE WIND

Hello, once again, to all of you from all of us at Hackney. I hope everyone has had a great spring. So far it has been relatively uneventful on the southern front. We have been fortunate for the cooperative weather this spring as the crops have been going in the soil. The wind has kept our spray rigs in the shed more days than we would like, but that is life in Kansas.



Mr. Jim Neal has informed us that he will retire from

Valley Coop at the end of June. We will definitely miss him, but at the same time, will envy his "life of leisure". Please stop by or call Jim to wish him many years of good health and good luck in his golden years.

At the time of this writing it appears that the painters are very close to wrapping up the facility facelift. They have worked very hard on the days that the weather allowed. It sure looks nice.

It seems like there is always complaints about the prices of chemicals, fuel, etc. Here are some examples of other things we don't normally buy by the gallon but are converted for comparison:

- (1) Printer ink \$2,700
- (2) Chanel No.5 perfume \$48,640
- (3) Anti-Venom (for snake bites)  
\$567,000

I reckon the things we sell are relatively inexpensive!

Have a great summer,  
Jim, Stacie, Marty, Hoss, Les, and for the last time Jim Neal

# KELLOGG COMMENTS

It has been a busy spring at Kellogg. Feed season seemed to last a long time while we were waiting for green grass. Thanks to all who bought feed from us this past winter. Corn planting seemed to start as soon as the last snow melted, but things have evened out now.

We installed a new fertilizer blender this month. It is twice as fast as the old unit so hopefully it will reduce the time it takes to get your fertilizer. We have a good supply of milo, soybean and haygrazer seed in stock for you planting needs.

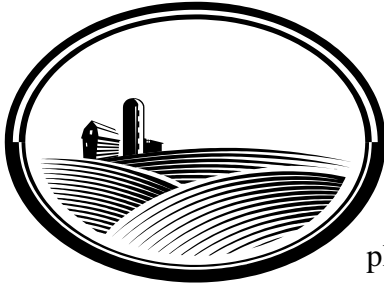
Don't forget about Valley's newly purchased seed treater. We will be glad to inoculate your seed, whether it's ours or someone else's. It's portable so we can treat it here. Call me so I can group enough of it together, set a date and have Kirk come over and treat it. The inoculate we are using is good for 120 days. Treat it now, plant it later.

Harvest is almost upon us. Remember to tell your drivers the name that needs to go on each load. It is a lot better to get it right the 1<sup>st</sup> time. Saves us both a lot of time and aggravation.

As always thanks for your business and have a safe summer.

The Kellogg Crew,

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



## FIELD NOTES

Hello Friends! We are no doubt in the spring planting season. All of your planning this winter is being implemented as seed goes into the ground.

For your benefit several plots of corn, soybeans and grain sorghum have been planted in the area. Check the Valley Coop web site under Agronomy for details of where the plots are located and tentative plot tour dates. A lot can be learned by watching the different varieties, several seed treatments, planting dates and the different soil types we have. Plan to tour the plot in your area.

The portable seed treater has had a great start so far this spring. Many producers realized what a time savings it gave them plus peace of mind that all the soybeans were getting good inoculant coverage. One customer commented “Inoculating soybeans takes time to do it right, now I just load the planter and go to the field. I was able to gain extra planting time right way. No calibrating equipment to inoculate the old way, with the 120 day Excalibre I had my seed treated well ahead of planting”.

Another producer “I knew other soybean growers were getting a 2 – 4 bushel advantage by using a fungicide/insecticide. Valley treated my soybeans with Cruiser Maxx and Excalibre inoculants all in one pass through the treater and put it back in mini bulk bags several weeks before I began planting.”

The seed treater will be available for wheat treatments later this year. Treatment products and pricing will be announced at a future date. Wheat for seed must be cleaned prior to any treatments, please no combine runs.

Valley Coop will be offering crop input financing through CFA again for 2011. For those of you that have interest we will start taking applications in July. Several producers were able to finance seed, fertilizer and chemical purchases through Valley Coop this crop year. It gives you the customer 2 options; first, when these inputs are picked up or custom applied there is a line of credit to pay for it. Second, if you choose to prepay to capture discounts or to lock in a price you can. Ask Rick or I for additional details on this program.

Have a safe abundant wheat harvest and good luck on your row crops.

Kirk



### HAVE YOU HEARD THIS ONE

A rancher asked his veterinarian for some free advice. “I have a horse that walks normally sometimes, and sometimes he limps. What shall I do? The vet replied, “The next time he walks normally, sell him.”

## Maps Make it Marvelous

Technology comes in just about any format you can think of in this day and age, especially in the field of agriculture. With the dawn of the computer and with the invention of the satellite, scientists have given us a better way to monitor our fields. Topographical maps provided by the USDA, give producers and supporting agribusinesses accurate and visual aids in tracking crops and acreages. From the production angle, you can provide yourself, landlords, and financial institutions a way to communicate your production plans and analysis. From an agribusiness perspective, these maps provide us with a means of accuracy as well as that next level of communication with you the producer. This year and in the years to come these maps will assist us even further, by giving us the ability to send a new applicator to one of your fields with confidence. The USDA color maps provide us a way to verify in conjunction with county directories that we are indeed in the correct field and potential obstacles that may be present. I would like to encourage all of you to get current maps of all your fields and share them with your spraying and fertilizing location. I can assure you that it makes a world of difference, when you are on a field you have never been on before. Maps make it marvelous.

Lewis Kuchar  
Valley Coop, Atlanta KS

*"The quality of our expectations  
determines the quality of our actions." \_  
Andre' Godin*

## Hello from Beautiful Downtown Winfield

To start off I would like to thank each and everyone for your business over the last year.

Spring has sprung and many of you are fertilizing your lawns and garden triple 13 fertilizer is a good fertilizer all summer long. Too much nitrogen all at once will cause a problem if you cannot water or Mother Nature does not want to let it rain.

Treating for weeds is always a problem. We have sprays and also weed and feed for you. It may sound strange but to control dandelions early November is the best time.

A little work is being done at the West Mill here in town. This work will help us handle sunflowers better and eliminate using the big leg when loading out big trucks.

As always, thank you for your business and if there is anything we can help you with, we are here for you.

Ron, Bob, Gary and Todd



**We will be  
closed  
May 29<sup>th</sup>  
and May  
31<sup>st</sup> in**

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



# Fluff Salad

Recipe Submitted by Stacie Charvat

- 1 can of pineapple
- 1 box of vanilla pudding
- 1 container of Cool Whip
- 1 can of mandarin oranges-drained
- 1 small bag of marshmallows (optional)

In a big Tupperware bowl mix together the pineapple and pudding mix. Then add the cool whip and drained oranges. You can also add the marshmallows in at that time if you want. Enjoy!

## News from Burden & New Salem

The much needed rain has slowed progress down a bit, but a few acres of beans and milo have been planted. Guess we have everything about ready to go for harvest, so we will look forward to seeing you then. Please have a safe one.

As usual, I don't have much to say, but just want to thank everyone for coming to see us.

On a personal note, I want to thank everybody for their thoughts, cards, gifts, and prayers for Joyce while she was in the hospital. Her recovery is slow but her spirits are good so she is getting there.

Again thank you and we will see you at Burden and New Salem.

Bill, Nick, Bobby, Marc

## Summer NH<sub>3</sub> Prepay Program

We are contracting July thru September NH<sub>3</sub> at \$400 per ton. This is a 100% prepay for tons you would like to contract. **There is a limited supply of product at this level.** Please contact your local Valley Coop location to make arrangements.



# OFFICE CHATTER

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 that was held on May 27, 2010. 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 22nd will be mailed. We will be mailing a Domestic Production Activity Deduction Allowance (DPAD) notification letter tentatively by October 31, 2010 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 (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 wheat and fall crop harvest. **PLEASE** have your truck drivers make sure the correct name and/or farm names are on the scale ticket before leaving the scales. 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” rather than “later!” 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.

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