

As I write this, we are almost finished with the fall harvest. It is one for the record books. Unfortunately there are two kinds of records, record best and record worst. This one will fall into the latter category. At this point we have received 26% of our 5 year average Milo receipts, 30% of our 5 year average Soybean receipts and 26% of our 5 year average Corn receipts. Prices are holding fairly steady for the past month or so at levels that are in a historically high area. We will all look forward to the summer wheat crop which has made it into the ground and is doing fairly well considering the short moisture conditions we are experiencing.

Valley Coop, Inc continues to upgrade the facilities. The new 100,000 bushel McPherson concrete grain bin at our Burden facility is up. The new pit and leg as well as the loading and unloading equipment will be installed after the fall harvest is completed. This should make the facility much more user friendly for the future harvest in the area.

In September Valley Coop, Inc. repaid deferred equities of just over \$80,000 to members. This has our revolving fund at our 15 year revolvment goal. If you as a member have your full \$1,000 common stock allotment and have deferred equity, this means that your deferred equity over and above the common stock should be revolved back to you on a 15 year cycle. We are pleased to be able to continue this program for the benefit of our members.

Valley Coop, Inc. Mission Statement: **“To be a responsive business partner, which returns profit and value to our members.”** It is our goal to meet our members needs in the agricultural environment in which we live today. It takes a lot of dollars to keep your

cooperative healthy and functioning. Financial institutions continue to scrutinize balance sheets and operations to be sure you can survive in today’s environment. Expenses on a monthly basis are around \$300,000 + just to keep the doors open. You add the need to upgrade facilities, pay estates, retire equities, pay down debt and you need to generate a lot of profits to do all of these things. Your Cooperative has built a very strong balance sheet over the years. It will help to carry your company forward. Profitability is the key way to maintain that balance sheet and allow all the things to be done that need to be done. We will continue to look for opportunities to grow and maintain your business.

We do appreciate your patronage and look forward to serving you into the new year. I wish each of you a wonderful holiday season and a very Happy New Year.

Richard Kimbrel, General Manager

Holiday Closings:

Thanksgiving

November 24, 2011 Closed

Christmas

December 26, 2011 Closed

New Year’s.

January 2, 2012 Closed

(Please note the administrative office in Winfield is closed on Saturdays and will **NOT** be open Saturday December 31st.)



Atlanta Harvest News

This title could be a joke if it weren't so serious. Dry weather has caused us to harvest very little grain. Many only harvested enough to meet the requirements of their insurance agents. Usually we hope harvest will be complete by Thanksgiving. This year we wish it would have lasted until then.

We are trusting that Mother Nature will continue to bless us with moisture this winter. Many are being optimistic and planting wheat. Some of it is up and looking pretty good.

We have been using our extra time to build the bed for an additional fertilizer tender truck. It should cut down on the time it takes to get product to our spreader and sprayer trucks when we travel long distances. We have been fortunate enough to have employees with the skills to do this on location.

We are also doing some work on the docks. New steps and repairs to the dock are our next project. Safety hand rails and yellow striping for the whole facility are also in the plans. We hope to get most of this finished before it gets cold.

Computerized sales tickets are still in the plans. We are trying to stay up with technology. We may have to get the youngsters in here to help us learn how to do it. HA! HA!

Last but not the least thing that we are excited about is the addition of a completely new computerized gas pump system. Thank you all so much for bearing with us as we have gone through the process of installing the new system. It took a little longer than we had anticipated, but we look forward to it being more trouble free than the old pumps. Feel free to contact us here at the office and let us help if you are having any problems.

The holidays are fast approaching. We have peanuts to share with all of you. Please come by and have some. The coffee is always on and sometimes hot chocolate. Come in for a cup and some lively conversation in our lobby lounge while we serve you for your feed, seed, oil, tire and fertilizer needs. We also have a good supply right now of poly water tanks, concrete mix, fence posts, gates, panels and feed bunks.

Wishing you a Happy Holiday Season,

Darren, Katherine, Jimmy, Terri, Mike & Andy



Kellogg Comments

Fall has fallen. With fall two things come to mind, Feed and Fertilizer. We carry a complete line of feeds for all of your feeding needs. Bagged, bulk or custom mix we can provide you with what you need to supplement your animal's diet.

Late fall, early winter is the best time to fertilize your cool season grasses and winter wheat. It should be applied early so it can go through the nitrogen cycle and can be converted to plant food that the plants can utilize for growth and root formation. When applied early it will promote plant stooling and tillers that will help cover the ground and decrease weed pressure and hold moisture. When applied in late spring, you will see the crop green up but you may be too late for the plant to actually get full benefits of the fertilizer. Wheat and Brome grass are winter crops, which mean they start their life cycle upon emergence and should be fertilized early. When waiting till March or April they only have 1/3 of their life cycle left and probably won't reach their full potential.

We have purchased a new dry fertilizer applicator and will be replacing the old Terragator with a new Case. We should be taking delivery of it in late November. Thanks for your continued support to make these updates to your Coop possible.

Holidays are right around the corner. Keep an eye on those feed bins and give us as much notice as possible to get everyone taken care of during the short weeks of Christmas and New Year's.

As always thanks for your business and Happy Holidays!

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





OFFICE CHATTER

Substitute 1099's will be mailed out in January 2012—these 1099's will include Patronage and/or Investment Interest. **There will also be an amount listed on the Substitute 1099 designated as “**Per Unit Retain**.” This amount is the GROSS grain payments (including Deferred Contract Payments paid January 3rd, 2011) less any grain discounts (such as moisture, test weight, and FM discounts) that was paid to you from January 1, 2011 to December 31, 2011. Storage and Grain Taxes are NOT deducted from this amount. Those items are expense items to you. This Per Unit Retain amount **WILL NOT** be the net dollars that you received because of the storage and grain tax deductions! As always, it is best that you give this information to your tax advisor.

Please verify your social security number when you receive the 1099's and contact me at the Main Office – 221-4343 or 1-800-221 4346 if there are corrections to be made! For those patrons that received an Equity Retirement payment in September --- this payment will NOT be reported on a 1099 as a 1099 PAT was issued to each patron in the year that the equity was earned.

CoMark Grain Marketing (CGM) will mail the Deferred Grain Interest substitute 1099's. Amounts under \$600.00 will not be reported as per IRS guidelines.

Rebecca has been busy working on fuel cards for the new fuel system at Atlanta—along with pulling the billing information from the new fuel system to our accounting system. The accounting transition and working fuel cards has definitely had its challenges. We are also working on point of sale inventory information that has to be manually loaded onto our accounting system before the point of sales systems can be installed and implemented at our locations. The Manning location is the only one using Point of Sale at this time.

Rebecca and I wish you a safe and Happy Holiday season!

Donna and Rebecca

Don't forget about deferred payment contracts. If you want to sell your grain at today's price and stop the storage from accumulating, but don't want the income until 2012 or beyond please contact Rebecca at 221-4343.

Please note that you **will not** be able to pick up deferred grain checks this year. All checks will be mailed from the CGM office in Cheney.

Hello from Beautiful Downtown Winfield

Needless to say it has been a crazy fall so far. Awful nice to see we can get rain when we need it. God does look after us!

I would like to take the time to wish Jim Mitchell a happy and good retirement. We all will miss him.

Hay is going to be short this year. As I have heard from several ranchers, if you have standing grass you are better than most. You can supplement your cattle's needs with cubes or lick tubs, which are at all of our locations.

It always amazes me that some big name stores specials are our everyday prices.

As before, we at Valley Coop appreciate your business and your friendship.

Ron, Bob and Todd

News from Burden and New Salem

Well everyone knows how the harvest went this fall, so we're pretty much done.

All of the cement work is finished on our new silo, which will give us an added 100,000 bu. of storage, and cut back on man hours for moving the product. Hope we will have everything up and running by wheat harvest.

Thanks for coming to see us, and hope that everybody has a nice Thanksgiving, and hope you have a Merry Christmas and a Happy New Year. Stay safe.

Bill, Nick, Bobby, Marc



HAVE YOU HEARD THIS ONE?

A young salesman was leaving the tractor dealership one evening when he found the manager standing in front of a shredder with a piece of paper in his hand. The boss was looking confused.

"Listen, everyone else has left for the evening and this is important," the manager said. "Can you make this thing work?"

"Certainly," said the salesman, who was a little too eager to please. He turned on the massive machine, inserted the paper and pressed the start button.

"Excellent," said the manager as the paper disappeared into the machine. "I just need one copy."



Clam Dip

Recipe Submitted by Stacie Charvat

$\frac{1}{2}$ cup chili sauce
 $\frac{1}{2}$ cup ketchup
2 to 3 Tablespoons horseradish
1 Tablespoon lemon juice
1 Tablespoon worcestershire sauce
1 can clams
1 package cream cheese

Mix first 5 ingredients together. Add clams. Pour over 1 block of cream cheese. Serve with crackers.

