

ECI VISIONS

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ECI 
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Visions

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CO-OP

Business Hours

During the busy service seasons (both Spring and Fall), ECI will also extend hours to accommodate member service needs during the planting and harvest phases.

These extended hours are designed to meet patron need and may only affect specific divisions and locations of the Cooperative. During the Fall season, hours of operations will be posted at each elevator location.

Please see hours listed at individual locations.



General Manager Randy Carlholm

After my first three months at ECI, my initial impressions of the cooperative, employee group, and patrons have been confirmed.

Your cooperative, under the guidance of your elected Board of Directors is a financially sound organization that has strategically invested in capital expenditures to benefit our patron/owners. The employee group is one of the best I have had the pleasure to be associated with in all my years in this business. ECI's employees have a high level of expertise, great skill sets and a desire to perform well with a goal of achieving customer satisfaction.

Our patron customers, like producers in other areas of the country, need the same things from their cooperative. They need their cooperative to improve their financial well-being by being a competitively priced, reliable source of inputs, services and markets for their agricultural production. They need – and expect – ECI to provide agronomic expertise, unbiased sound grain marketing advice, supply the right products at the right time at a fair price, and provide high quality service, equipment, and facilities that meet their seasonal production needs. All from a business partner they trust! That's a pretty lofty expectation, and one that I feel the ECI employee group strives

very hard to meet.

We were blessed this spring with the cooperation of the weather. Most of you were able to get your crops planted in a timely manner and then we received a nice level of moisture. We were very fortunate in our area, while other areas have struggled. The biggest challenge I foresee coming is marketing your grain. Both basis and flat price levels are not as attractive as in recent years. Having a "game plan" is going to be very important in the upcoming months.

The Grain Division while dealing with the current market situation is having to re-adjust their marketing strategy but are optimistically planning for the upcoming harvest. The Energy Division is having a good year as is the Feed Division. The Agronomy Division had a good spring and is hopeful for a good fall season.

ECI's fiscal year ends August 31st. This past year we had a higher than expected number of Equity and Patronage checks returned to us as undeliverable. Enclosed in this newsletter is a customer information form. Please complete it and return it to ECI's Hudson office so we can update our records and – most importantly – you can receive your check(s). Because Equity and Patronage is tracked by your Federal Tax ID number and/or Social Security number, we need this information. Be assured that this information will be kept in strict confidence and not released to any third party. We are also requesting authorization to update the credit records on all our customers. Your cooperation in supplying this information is much appreciated. If you have any questions regarding our request, please feel free to contact us at (319)988.3257.

Thank you for giving ECI the opportunity to serve your business.

Your new General Manager Randy Carlholm

Randy Carlholm is the new General Manager at East Central Iowa (ECI) Cooperative headquartered in Hudson with locations in Cedar Falls, Waterloo, Jesup and LaPorte City.

Randy met and married his wife Leslie while attending Colorado State University in Fort Collins, CO. After graduation – Randy with a degree in Agricultural Economics and Leslie with an Animal Science – Poultry Concentration degree – they were recruited and moved to the Central Valley of California, where they lived for 12 years. Randy was employed by an international grain company at their export grain terminal and an integrated poultry company in the feed division.

They decided to relocate closer to family. Randy was a Grain Division Manager at a cooperative in southwest Kansas. After several years they moved to southwest Nebraska where Randy was the Feed Division Manager for a large cooperative. Leslie started her second career in Economic Development. Randy was then recruited and they moved to southwest Kansas again to oversee the operations of a cooperative that was 1 of 3 owners in an LLC. Leslie continued her career in Economic Development.

Randy's initial impression of ECI was very positive. His first few months on the job have re-enforced that impression. ECI is a very financially sound cooperative that conducts business the "right" way. The Board of Directors have made strategic capital investments to position the cooperative for long term success. The employee group is one of the best he has had the opportunity to work with.

Randy & Leslie have 2 sons and 4 granddaughters. Relocating – as Leslie says "for the last time" – to the Hudson, Iowa area, puts them closer to the grandchildren. Randy and Leslie enjoy camping, fishing, golf and spoiling the grandkids. They have 2 old Brittany Spaniels that Randy likes to take hunting.



GRAIN DIVISION

Ben Buie

As I write this, Spring is winding down and Summer will be upon us shortly. It is the time of year when the markets typically turn to watching weathermen for direction in grain prices. This year is a little unusual in that the markets are not obsessing over the weather, but other factors are driving the market.

Since the calendar flipped to 2015, we have seen grain prices grind lower. This has been caused by several factors. Record bean crops in South America have provided a lot of competition for our soybean export business. Economic concerns in Asia and Europe have led to a very strong dollar relative to other currencies making our exports even more expensive in the world market. To put the currency discussion in perspective, soybean prices to the South

American farmer are higher on the year in their local currency even though prices in U.S. dollars have dropped. Another factor weighing on grain prices is the speculative funds have built up a record short position for this time of year in both corn and beans. Another issue facing the grain markets is the bird flu epidemic. Nationwide 45 million birds have fallen victim to the disease. Iowa farmers have been hardest hit with over 24 million birds being affected. This has impacted feed demand and hurt our local basis as corn and soybean meal that would normally be fed to poultry in Iowa has been looking to find other homes.

The corn crop continues to move forward in good condition. As of June 8th, corn planting progress is nearly complete as there are approximately 1 million acres left to plant, but most of these acres will either end up in prevent plant or soybeans. The corn crop has been steadily rated at 74% good to excellent with Iowa above average at 82% good to excellent. On the soybean side, there is some potentially bullish weather issues. The June 8th report showed 79% planted compared to 81% for the five year average and 86% last year. The states hardest hit are Missouri and Kansas at only 30% and 31% planted, respectively. The forecasts for both those states at this time show more wet weather on the way. We could potentially see 4 to 5 million acres of beans unable to be planted before crop insurance deadlines and that could change the outlook for bean prices. In comparison to those states, Iowa sits at 88% planted. The soybean crop was rated 69% good to excellent, which was well below most analysts expectations. Again Iowa beat the average with 80% of the crop rated good to excellent.

Another issue we are facing as the crops continue to move forward is how to market last year's crop with unfavorable prices. We anticipate to see further widening of the basis as we progress toward harvest as the local market struggles with large on farm stocks of corn and increased competition from areas that were affected by the bird flu. We can write basis contracts to lock in basis before delivery of the grain or we can write minimum price contracts that protect against future price drops and provide cash flow while allowing the producer to participate in potential rallies over the summer. Please call Rylan or myself if you have any interest in different strategies to help manage price risk.

Thank you for your patronage as always, and I hope everyone has a safe and productive growing season.



CONTROLLER

Joe Murphy

ECIC is proud to announce that we paid out over \$320,000 to our patrons who were born in 1942 and prior years with our Equity Redemption program. This is very high priority with our Board of Directors and it hits the heart and soul of the Cooperative system returning the patrons hard earned equity they earned throughout the years.

From a financial perspective we are off to a strong start and we are optimistic that we should have a solid year with good drying revenues and solid storage revenue. We are a little disappointed with grain receipts as commodity prices took a huge dip and uncertainty in the country

has kept a lot of grain in the country. This situation could cause some logistic issues this fall harvest as storage space will be tight. Feed is having another solid year with tonnage up slightly over last year. Agronomy had a good spring with one of the best windows of weather I can remember since working for the Coop. Energy is on track to having a record year on local earnings with solid performance coming from LP and Diesel sales.

We are in the process of setting up a new bank account with Co Bank as our current bank account with Wells Fargo is being phased out so Co Bank can bring all cash services in house. With that process starting in late July we will be working hard to close out all outstanding checks from the old bank account. We will be calling and reminding everyone that they have an outstanding check and if they can't find the check we will reissue the check if necessary.

Finally we are enclosing a credit information sheet that we ask you to fill out so we make sure we have accurate and timely account information. Please mail these back or leave at your nearest ECI location.

Have a safe and enjoyable summer.



FEED DIVISION

Dennis Francik

As summer nears, the corn and soybean crops in our trade area are off to a good start overall. Both crops got planted in a timely manner, and we have had decent moisture to get this crop started. Current cash corn prices at Jesup are hanging around the \$3.50 mark, with cash beans hovering around the \$9.30 level. We have been maintaining enough corn on hand to supply our feed mill for 7 to 8 weeks. Lately we have seen an uptick in corn movement from the country, and our supply has stretched a little further. We have got through the planting season without having to transfer corn inner company, which both Ben and I were not sure would

happen. Historically in Jesup we see a spike in corn coming to town after Jesup Farmer Days. We have a good supply to get us there, but will need to see good movement the balance of the summer to stretch supplies to new crop.

Last year the first week of June cash corn prices were around \$4.40 and cash beans were near \$14.40. I'm sure you all are aware of this without me reminding you; however, if you have a son that is back on the farm now that higher priced commodities could afford, we have the opportunity to create on-farm income by building swine confinement buildings. The opportunities we have will fit many sizes of operations, as we have demand for either 1,200 or 2,400 head wean-to-finish sites. The manure from a 1,200 head barn will supply fertility to 80 – 100 acres of corn production, reducing input costs while building equity in your farm and generating an income as well. We currently have a couple sites under construction, and later this month we will host an open house at one of the sites, which is a 2400 head tunnel ventilated barn. We will provide more information as that nears. If you have interest, please call any of the sale staff here at the Jesup office. This is a good way to keep your family on the farm, engaged in production agriculture that fits in nicely with a row crop farm operation.

Have a safe and fun summer !!



ENERGY

Scott Halverson



New Diesel pumps installed at Dysart location



New gas pumps installed at Dysart location



Pictures from our La Porte City Project

First, I would like to thank everyone for their business and continued support. As many of you are already aware of our current upgrades projects at the cardtrols in Dysart and La Porte City. Dysart is already complete and La Porte City should be finished by the week of the June 29th. While we have had our challenges with the two projects, it will be nice to have updated pumps and better equipment to service our customers. The new diesel pumps are ultrahigh volume in both Dysart and La Porte City. In addition we will have diesel blenders as well as E85 blenders in La Porte City. We will be having an open house in La Porte City.... date to be determined.

There is a lot of speculation in the market on the barrel of crude going down, once again to levels that we have seen this spring. If we get back to these levels I would recommend looking at contracting fall fuel and even some future spring contracts. Please contact Jim Dykstra or myself for more information.

On the propane side of things we have our upcoming contracts ready for the new season, prepay contract will be \$1.05, money down contract at \$1.10 and our truck prices at \$1.15. There will be no summer fill specials however, you may contract or prepay your summer fill with your heating contract. Example, you what a summer fill of 300 gallons and home heating season average is 1000 gallons, you can prepay or contract the 1300 gallon total for the additional savings. We have now implemented degree day software to better service our customer and make us much more efficient with our routes. The software will calculate your propane usage based on the temperature, this in turn will give us a report of customers that are at 30% and need a fill. By increasing our gallons per stop helps ECI become more efficient, keeping our cost down and passing those saving on to our customers. Please contact the Waterloo office for more information.

We are also wrapping up our first application of dust control, this has been a challenge this year in trying to complete. Black Hawk County and surrounding counties were late in releasing the roads for application, combined with the 70-80% chance of rain in the forecast two to three days out of the week has delayed our applications. I would like to thank everyone for their patience and their business!

In closing, thank you again for your business! From the staff at ECI, we wish you a safe, and continued prosperous year!

