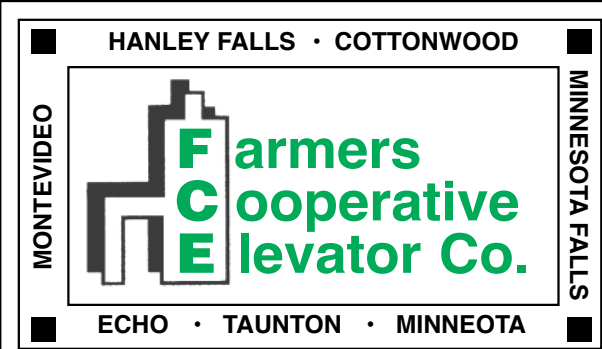


**Farmers Cooperative
Elevator Company**
1972 510th Street
Hanley Falls, MN 56245

Temp-Return Service Requested

PRSR STD
U.S. Postage
PAID
Willmar, MN
Permit #484



**FARMERS
COOPERATIVE
ELEVATOR CO.**

1972 510th Street
Hanley Falls, MN 56245
E-Mail: fce@fcemn.com
Website: www.farmerscoopelevator.com

JUNE 2022

Hanley Falls:
507-768-3448
800-626-2510
**Hanley Falls
South Elevator:**
507-768-3602

Minnesota Falls:
320-765-4100
320-564-3835

Montevideo:
320-269-6531

Cottonwood:
Mill Office:
507-423-6235
800-423-6230
**Cottonwood
Elevator:**
507-423-6489

Echo:
507-925-4126

Taunton:
507-872-6161

Minneota:
507-872-6134

FCE Business Update

As the calendar rolled from 2021 to 2022 the team at FCE did not skip a beat and got to work kicking off our new fiscal year. As outlined in March at our annual meeting, 2021 did not financially perform as we expected. Our team has been working hard in 2022 at managing our expenses and maximizing our margins to set us up for success in 2022. At our annual meeting in March Todd Lecy and Mark Vandelanotte retired from the FCE board of directors with 9 and 25 years respectively. We want to thank them for their years of service to the coop and welcome Jason Hartke from the Echo/Wood Lake area for joining our board. The board held elections for officers at the conclusion of our annual meeting, naming Jon Thostenson President, Adam Gorecki Vice President and Alan Enevoldsen as Secretary.

The FCE management team has been busy in the first part of the year implementing new processes and programs as we look to mitigate risk and increase controls in our daily business. We are off to very good start but these processes will continue to grow and evolve as we continue to move through the year. If you are in the Montevideo area stop in and meet our new location manager, Tyler Chappell, who started Monday, May 23rd. Tyler comes to FCE from eastern North Dakota with years of grain experience behind him.

It's been a busy spring getting corn bunkers picked up, shipping trains and trucks. We have been fortunate for minimal delays from our rail road partners which has led to operations and logistics running fairly smoothly so far in 2022. Thank you to all of our employees for their time and efforts to make execution of our sales smooth.

As we look forward to the summer of 2022 be on the lookout for dates for our annual pork chop feeds as we would like to be able to hold those again to show our appreciation for all of you our member owners. I hope the rain continues to hold off and all of you are able to get the crop into the ground.

by
Alex Busch
General Manager



Retirement

Mark Vandelanotte Retired from the FCE Board of Directors after 25 years of service (Pictured with newly elected President, Jon Thostenson)

Scholarship Award Winners



From Left to Right:
Alyssa Engels -Daughter of Paul & Debbie Engels
Tyler Froland – Son of Eric & Kathy Froland
Kaden Boike-Son of Eric & Stacey Boike

Years of Service Awards



Laura Ruble - 5 Years
Jeff Tusberg - 25 Years

News Brings Market Excitement

Since our December newsletter, the market's changed quite a bit. Old crop corn and beans have gone up roughly \$1.90 and \$3.35 respectively. Raise your hand if you weren't expecting that at harvest; I'll be the first! We've had a few opportunities to sell \$8.00 old crop corn. With the U.S. issues and world economics we may get back up there? Who knows. It seems as though the 'hot' news coming from Russia/Ukraine war slowed down for the most part however inflation and interest rate worries for the U.S. economy rage on. Over the last few months funds have poured money into commodities, contributing to big swings in the daily market. We aren't record long on either corn or bean funds but it hasn't been uncommon for them to move over 10,000 contracts in or out of the market in one day. Now it seems like any day the market moves less than ten cents is boring.

US delayed planting concerns seem to be waning. I'm sure by the time this newsletter gets to you, corn will be nearly 100% done and beans not far behind that. It seems that we are in the pothole of Minnesota, and besides ND and parts of SD, everybody is moving right along. One thing to consider although is that farmers may not switch any extra acres over to corn because of the late spring, meaning that the low number of corn acres the USDA gave us on March 31st might be accurate. We'll find out on June 30th.

On the export side, we have seen a few big flash sales come up for old crop that's been helping drive the market. It's usual

business from China, Mexico, Taiwan and even some beans to Egypt. Old Crop soybean export sales exceeded the USDA forecast, coming in at 2.175 billion bushels last week. Rumor has it that China is still looking for corn, either from us or Brazil. New Crop corn export sales are slow but that could change because of Brazil's weather. Their second corn crop is struggling with hot temperatures while other localized parts were hit by frost, though not widespread. But they still need as much corn as they can get. That corn harvest usually begins around June 1st. Argentina is in the thick of their corn harvest. The country is talking about raising the limit for exports to 35 MMT, causing more world competition. Right now, the country limit is 30 MMT, and for reference last year they exported approximately 40 MMT.

It is anybody's guess where the market goes but we all know there will be plenty to watch for. Let's get this planting season behind us and focus on new crop sales as our corn and beans come out of the ground. I hope you have a great summer and we will see you at the pork chop feeds in July!

By
Laura Ruble
Grain
Merchandiser



Planning Ahead Pays Off

It is May 17th as I type. There are more sump-pumps and chainsaws running today than tractors or applicators in the FCE trade area. As predictable as weather is, it is out of our control. I can only hope and pray that you and your loved ones stayed safe though the storms that pillaged our homes this last week. This storm seemed to pass over your coop. A few dents and dings but nothing disastrous which we are grateful for. Today, we are on the home stretch picking up the last corn bunker in Montevideo. MN Falls bunker was finished in late April. I like to remind folks that before your coop piles these millions of bushels of corn or beans in bunkers there are plans in place prior to reclaim them. The plans made months ago to reclaim the corn bunkers are successful. The truck and rail freight are arriving in time for minimal or no delays or risk from weather. What remains in the Montevideo bunker will not be there when you read this article because there are trains in route and space inside to swiftly finish by early next week. Your coop did not pile beans at harvest due to the robust demand for harvest bean bushels. A pattern I suspect will surface again before and through harvest. Nevertheless, the best made plans aren't worth the paper they are written on without darn hard-working people that get the work done. I am proud of all of the FCE people for keeping your coop successful. So, I thank you for your business and I thank all of the FCE Team for loading trains, loading trucks, grinding feed, driving truck, delivering feed/seed, probing and grading grain, cutting checks and balancing accounts, calling on new and existing customers, hedging grain, and on and on.... It is hard work but it sure is fun to do it at FCE!

The markets are emotional as of late. War, weather, inflation, interest rates, prices, etc... they all play a factor in commodity prices around the world. I suspect that when

crops get planted (to what extent I am not sure) prices will have already factored in an adjustment. Soon emergence and growing degree units will be front and center. Watch for it. Basis feels poised to perk up through summer, cautiously because no one wants to own "extra" in an inverted market. Harvest planning starts in January for your coop. In this type of market (inverted) your coop intends to be empty going into harvest. To do so inventories are marketed sometimes 6 months out. In an inverted market the lack of carry is a risk so capacity to execute on sales is critical because the corn and beans are at a premium now and not later which creates a bottleneck in shipping grain out of 7 facilities. Fortunately, you have made investments into 3 rail loading facilities with access to many, many markets, more each year it seems. This is extremely valuable for both shipping capacities (speed) and pricing (market access) into the best markets available.

Please reach out if you have any questions or marketing needs. We continue to offer direct ship, a full menu of marketing tools, and on-farm hauling.

Stay safe.

By
Ben Hedtke
Grain
Dept. Manager



Cost of Doing Business

Happy Spring! It's been an extended version of it for sure. A recent discussion around the coffee table brought up a good point. The calendar shows us behind normal for planting, frost dates, etc. But if you take the clues Mother Nature is giving us, it is really just a late spring all around. Trees have not budded out as quickly and the lilacs are only starting to bloom. We also know that there is almost always an "evening up" period. The law of averages usually prevails.

FCE is dealing with many of the same issues any businesses are dealing with today. The labor market is very competitive and even thought the statistics show low unemployment, we all see the Help Wanted Ads in the papers and online. Our goal is to find quality employees that want to work for FCE. On that note, Tyler Chappell, our new Location Manager in Montevideo, started his position May 23rd. Welcome Tyler!

Interest rate increases are another topic to discuss. The current market structure (good basis, inverted futures) tells producers and elevators alike to move grain now, not later. There is no incentive to "carry" inventory any longer than needed. This helps keep interest costs lower for the cooperative since we don't have to keep grain to ship later. It also creates another facet of marketing though. When (not if) the market returns to a carry structure with wide basis numbers, the cost of carrying inventory will increase

Availabilities This Spring

Chicken season is upon us once again and we are fully stocked with all our bagged feeds for laying birds and meat birds. We have our 23% Medicated Starter, 20% Broiler Mix, and our 16% Egg Layer mix each of which comes in a 50-pound bag at a great price. We also can provide bulk non-medicated chicken feed as well.

With the rise in the cost of fuel, the mill has had to adjust delivery prices accordingly. As fuel continues to change the mill is working on better solutions to accommodate.

There is still a position available as a feed mill driver. If anyone is interested or knows anybody that would be interested

Managing Heat Stress in Cattle

Thermo-comfort zones vary greatly for beef cattle. Younger animals have a narrower comfort zone of between 45 and 80 degrees while feedlot cattle and mature cows can tolerate temperatures from subzero to 75 degrees. Even with these extremes, once the temperature gets above 90 degrees, cattle begin to suffer. This is especially true when humidity is high and wind speeds are low.

Here are a few ideas to get in place before you have a heat emergency.

1.) Have ample water available for your animals. If you have to, add tanks to the pens to fill as needed.

2.) Avoid handling your animals during the heat of the day.

3.) Change your feeding patterns. Feed 60 percent of your feed after peak ambient temperatures.

4.) Make plans for emergency water.

5.) Improve airflow in pens. Move cattle away from windbreaks, build mounds in open pens, open shades and install fans in barns.

dramatically. This is due to higher interest, but also due to higher fixed asset costs, labor costs, and transportation costs. In a nutshell, it is expensive to do business now and it will be more expensive to do business in the future. I realize this is not unique to our industry either on the farm or at the elevator. The point is that in order to manage a good P&L, we all need to generate more margins. It is just a sign of the times.

Lastly, inflation is here and probably not going away anytime soon. That is the reason fixed assets cost more, labor cost is higher, and transportation for everything costs more. Even though there is a lot of discussion about interest rates and inflation in the same discussion, they are two different issues. Inflation is a volume issue, while interest is a margin issue.

Thank you for your patronage. It was good to see our patrons at our Annual Meeting and we look forward to a prosperous year.

By
Bill Doyscher
Assistant
General Manager



Bill Doyscher
bdoyscher@fcmn.com

feel free to give us a call for more details. The feed mill is continuing working with vendors to find the best ingredients at the best prices. We at the feed mill would like to thank all of our customers. We have a hard working staff that does their best every day to fulfill your livestock feed needs.

By
Zach Giese
Feedmill
Manager



6.) Provide shade if possible.

7.) Control biting flies.

8.) Hold intakes and move cattle to a lower NEg diet until heat abates.

Managing heat stress starts before a major heat event. Remember, during a heat wave, the first calm wind can be the most lethal. If you have limited resources, focus on cattle that are most susceptible including black hided cattle, sick cattle, and newly arrived high stress cattle. To get maximum benefit from your plan, you will need to anticipate and plan ahead.

By
Beth Feller
Livestock
Specialist

