



## FARMERS COOPERATIVE ELEVATOR CO.

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Hanley Falls, MN 56245

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Website: [www.farmerscoopelevator.com](http://www.farmerscoopelevator.com)

DECEMBER 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

### COTTONWOOD

Bob Bahn-PT  
Jim Beiningen  
Mike Coequyt  
Gary Enger  
Andrew Kolander  
Jeff Tusberg

### ECHO

Russ Hennen  
Sandra Hennen-PT

### HANLEY FALLS

Emily Albin  
Martin Berghorst  
Scott Beukelman  
Brad Bossuyt  
Alex Busch  
Jody Chleamar  
Travis Downing  
Bill Doyscher  
Ashley Finnes  
Steve Fry  
Holden Greely  
Ben Hedtke  
Isaiah Homan  
Krista Listul  
Genna Loe  
Bob Moore  
Denton Olson  
Laura Ruble  
Levi Sheman  
Kevin VanBronkhorst  
Wes Cole-PT

### MINNEOTA

Kevin Johnson  
Richie Sorensen

### MINNESOTA FALLS

Mike Kontz

### MONTEVIDEO

Ryan Backer  
Tyler Chappell  
Justin Ehrenberg  
Tasha Enevoldsen  
Dustin Feltman  
Anton Millner  
Josh Zyrik

### TAUNTON

Jayden Gamrak  
Richard Reyerson

### DIRECTORS

*President- Jon Thostenson  
Vice Pres.- Adam Gorecki  
Sec./Treasurer-Al Enevoldsen  
David Alness  
Steve Doom  
Tim Gossen  
Jason Hartke  
Brad Sunderland*



## Holiday Closings

All FCE locations will be closing at  
**NOON ON**  
Friday, Dec 23  
Friday, Dec. 30  
**AND CLOSED**  
Monday Dec. 26th  
Monday Jan. 2nd

**2023 CALENDARS ARE IN.**

**Stop at your closest FCE location to pick yours up today!**

# Better Than Expected

Just like that another year has come and gone, where did 2022 go? Looking over the past year and trying to compare it to 2021 is somewhat difficult. Two completely different growing seasons, crop sizes, staff and processes. Although we experienced another drier than normal growing season in 2022, we were fortunate to harvest a good crop across the FCE trade territory in a record pace. Hats off to all the FCE employees this year who worked shorthanded, long hours and handled an entire crop in roughly 30 days this fall. The plans the team at FCE put together before harvest came together and were executed very well. Our operations and marketing teams have helped to position FCE well to capture the robust rail soybean markets we've seen since fall, along with finding markets for corn in a non-typical marketing year with corn exports kicking off slower than one would expect.

Just like any other business or industry today, many conversations are happening around labor. Here at FCE it is no different than any other business you may visit or work with throughout the week. It has been a difficult year finding and replacing jobs throughout the cooperative. Fortunately for FCE we have been able to look at our business and our people which has created opportunities for growth and consolidation within FCE. One of those larger changes has taken place in Cottonwood where Mike Coequet has moved from Taunton and will be managing the feed business along with the grain terminal moving forward for FCE. I would also like to remind everyone of our Patron and Employee Referral program that was kicked off last July. If a patron or an employee recommends an individual for an open position FCE and they are hired and stay in that position for 90 days FCE will pay you \$500.

## Adjusting with Technology in mind

Modern advancements in technology are moving at a breakneck pace. FCE is planning on using new technologies to help us keep up with the many changing facets of our business space.

We need to utilize many of these improvements and enhancements for a couple of reasons. To no one's surprise, the labor landscape has made a dramatic shift post-covid. The ability to hire new and replacement members of our team sits as the biggest challenge. As the workforce at FCE ages out, we need to entice new employees with some of these enhancements to allow them to do their jobs. The ability to work from home when needed, share more responsibilities across our platforms, communicate better, both in and outside of the co-op, and many other parts of their work life can be helped with technology. This in turn offers a better work/life balance and keeps FCE as a preferred place of employment.

Next, we need to be even more efficient than ever. The commodity grain industry has survived for many years on finite margins. With the inflationary pressures of increased wages, repairs and maintenance costs, new construction, interest costs, fuel costs and many, many other additional costs, more margin is required. Commodity handling is an ultra-competitive market and while there is some room to increase sales margins, co-ops and grain handlers like FCE must strive to increase efficiency. Technology advancements have the ability to help us do that. Working with automation and changing some processes can reap big benefits when it comes to cost per bushel savings.

As you will read from Bill Doyscher in his article FCE is focused on technology in 2022 and 2023 on how we can automate processes, operations and how we can make doing business with the coop easier for you as a patron. As the calendar turns this work will continue with 1st off a new phone system for all our coop locations, automation opportunities at grain locations and the feed mill. As I mentioned in my fall newsletter be watching for a survey coming to your e-mail as we also want to hear from you on your ideas and ways, we can better serve you as the patron of FCE.

As I look forward to 2023 I believe we will continue to have head winds in parts of our business. Commodity prices continue to be strong but so do input costs. Fuel prices continue to stay elevated and world politics don't seem to be changing to see a reprieve there. Interest rates continue to be strong on the heels of many ideas of a possible recession looming. But the positive is being in agriculture and all you as producers the world needs to continue to eat, people need to commute and the demand for agricultures products we handle continues to be strong. 2023 will provide opportunities for us at FCE along with for you!

I hope all of you have a Merry Christmas a great holiday season and can find time to spend it with your family and friends.

by  
**Alex Busch**  
*General Manager*



In the near future, FCE will be transitioning to a new phone system that allows us to communicate with the producer and each other much more readily. We are considering upgrades to computer software that will give us more robust access from outside our locations. The potential to update and automate some things at our facilities will also be considered. All of this comes with costs and we are weighing those costs against the returns.

This past summer, I was asked to transition to a couple of different roles within FCE. I have spent much of my career working in grain markets. Trading for customers, risk management and merchandising has been a large part of my experience. Moving forward, I will be stepping back from those duties and moving into an operations role, along with managing the IT needs for the co-op. Marketing and grain trading will continue with the very capable team of Ben and Laura. Please call them with any marketing questions you have.

And lastly, I wish you a Merry Christmas and a Happy and Blessed New Year. Please keep your loved ones close this year.

By  
**Bill Doyscher**  
**Chief**  
**Operator Officer**



## 2022 Wrap Up

To say the crop this year surprised us would be an understatement. Yields were all over the board, but the phrase "better than expected," was common in conversations that I had. Between spotty rains and heat, the corn really pulled through. Beans on the other hand were not the star of the show for most of our patrons.

Markets surprised us this year. Large carries have yet to come back into the market, basis continues to stay elevated, especially in the summer months. There continues to be a pull for our Minnesota-grown corn from the dry spots in the corn belt which will help us domestically.

We saw a short little rally in beans a few weeks ago led by South America weather, Chinese COVID lockdowns and some flash bean sales. As usual, South America will stay in the news; today Brazil is on track to have a great crop, Argentina has been dry and hot. Our export program lately is less than impressive (on beans and corn). This could be worrisome as SA crops make its way to the export market but certainly is not something we've never dealt with before. I have noticed an increase in questions regarding on the

farm pickup and direct ship. A benefit of doing business with FCE is you have the option to haul your grain directly to an end user. This would include places such as Valero in Aurora, ADM Marshall or AGP Dawson, among others. FCE can also haul this grain for you if you don't have semis or the time to get it there yourself. Lastly, if you have a HTA (futures fixed) contract with FCE, you can set basis into any of these markets, usually resulting in a better cash price. Please reach out if you have questions regarding this.

Thank you for your business in 2022. I wish you and yours a Merry Christmas and am looking forward to doing business in 2023.

By  
Laura  
Ruble  
Grain  
Merchandiser



## Marketing Opportunities

Merry Christmas from your coop, FCE! It is cold and snowy as I type. It's mid-December, very little snow and very little cold so far. Maybe by the time you read this those two elements will change. Fortunately, this clear weather we seem to have been blessed with over the past few months has allowed for abundant grain movement by both truck and rail. We handled our fair share of grain this fall in a very short amount of time. With that said I would like to sincerely thank all the FCE team members that dug-in and with true grit put in the time, energy, and sweat to serve you our patron/owners. No two harvests are the same and they all provide different challenges to be solved with limited and shrinking resources. So, again thank you to all the FCE team members for your diligence and work ethic. I would also like to thank all of our patron/owners for your patronage in 2022. 2023 will come with continued challenges that your coop seeks to navigate with precision.

Currently, we have continued volatility in both beans and corn providing us with opportunities to trade in the short-term. With lack of carry in beans and corn at current storage and interest rates, my concern lies in the upcoming spring/summer. Cash markets are not incentivizing carrying corn or beans so they move now leaving a growing hole for the summer months that will have to be covered with on farm crops. 30 days is a long time in the grain business even more so 9 months

Thankfully, the rail strike as been subverted again, for now. There are lots of opinions pertaining to rail performance under the current scenario. Regardless, every year the cost of moving grain by rail goes higher which directly impacts how and where grain moves in our local markets. Your coop is tightly knit to multiple railroads and the markets effected by these potential strikes. To date, US exports on corn are off 75 million bushels making these potential rails strike a little

easier to navigate. What happens when this lack of exports goes the other way?

We continue to load bean trains in an effort to utilize the rail market when it is the market. Chances are by late January our bean market will be predominantly domestic as South American beans should greatly undercut US beans for export partly due to tax incentives in Argentina. All eyes on South American weather going forward. Domestic crush on beans continues to be robust even with the latest RFS announcement incentivizing "green" energy over bio-fuels. This is a great opportunity to utilize FCE's direct ship bids that provide a premium and a potential dividend on your bushels.

Corn has a very different outlook. As I said above corn exports are uneventful. Nevertheless, there has been and appears to continue to be a robust domestic demand for corn to the Southwestern U.S. drought-stricken area. Today, this region indicates its needs are covered through March. It goes without saying there is a lot of time between March and October of 2023. Couple that with our current moisture situation across the western belt and should any corn export demand show up we have the makings of an interesting spring and summer. The challenge here is the lack of carry in corn futures. Fundamentally, when the cash market is covered, carries arrive to incentivize deferred sales. This is yet to be seen but it is still early.

Feel free to call with question. Again, thank you for your patronage!

By  
Ben Hedtke  
Grain  
Dept. Manager



## Deferred Payments

Deferred payments will be ready at 10:00am on Tuesday, January 3rd. If you have signed your Deferred Payment contracts, we will attempt to get it to the correct FCE Location for you to pick up. If unsigned, the payment will be at the Hanley Falls office. Reminder, the last day to defer income to 2023 is Tuesday, December 27th.

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

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Temp-Return Service Requested

## Merry Christmas and Happy Holidays from the Seed Team

We would like to thank you for your continued business. It was a very different year. Spring was so wet and the rain shut off. It was remarkable that we got the crop that we did!

Please look at the new corn numbers below:

3724vt2  
3715 sspro  
3852 tre  
4652 ss pro

Old numbers:

3490vt2  
3735vt2  
4188vt2  
4265vt2  
4444vt2

We have a good supply of soybeans as well.

Enlist:

1552            2123PK  
1623PK        2220E

1720            1721

Extend Flex:

1240XF        2250XF  
1840XF        1540XF

Together with Croplan, FCE purchased a new KSI seed treater that works very well. We can treat Warden RTA, CZ, and Optimize. We are possibly adding two more pump stands that will be able to treat

Saltro for Cyst Nematode. Doing this, we won't have to resource it out.

Wishing everyone a Merry Christmas! Thank you for your business this year.

By  
**Steve Fry**  
*Seed Team  
Leader*



### **Congratulations to Connie Melberg and Dean Lichtsinn on their retirement!**

Connie was FCEs controller for the last 15 years and Dean has worked in operations for a total of 18 years. We wish you the best!

## Feed Orders

All feed orders must be placed by end of day, Wednesday, Dec 28th for scheduled delivery by noon on Friday, Dec 30th. Please plan ahead for our Holiday Hours!