



COOPERATIVE MORE IMPORTANT THAN EVER

We are ready to serve you this fall as you harvest the 2018 crop. The board has set our fall grain policy, now available on our website. We did not increase drying or storage charges. Those charges remain very low—possibly, the lowest in the area.

Many of you producers have livestock, and thus need to harvest your fields as early as possible so manure hauling and stalk baling can be completed before winter sets in. Don't let field loss be a "hidden" expense. Harvest on time at appropriate moisture levels and utilize our low drying charges. The volunteer corn we saw this spring in our soybean fields showed just how much corn didn't make it into the combine.

Listening, learning, planning

Your coop celebrated our 110th year in July. Are the reasons for starting the Hull Coop in 1908 the same as those that form our foundation today? I would say today's needs are even greater. Why? Because, to do well in agriculture today, the input and output sides of farming are much greater than they were more than a century ago. Our goal is to address both your current and future needs, and we will identify them by the feedback we receive from you and your elected directors.

The future success of your coop, then, depends to a great degree on careful listening and solid planning. We need to do our best to determine what agriculture will look like in 10 to 15 years, so we make the investments now that enable us to be relevant in the future.

At the same time, we need to make timely adjustments to changing conditions as best we can. Recently, I heard a speaker say it well: "It is critical to plan, but plans are worthless." I think that is particularly true in agriculture. We must plan what crops to plant and animals to raise, but then the weather changes, or the markets go haywire and adjustments will need to be made to your plan.



by Ed Westra
General Manager

Farmers deal with uncertainty all the time. The one thing we want you to be sure of—that Hull Coop is here for you to help weather the storm with a friendly face and a helping hand. Why? Because "WE CARE".

Thanks for your business. We don't take your trust and friendship lightly. ♦



YOUR PRE-HARVEST CHECKLIST



by **Evan Wielenga**
Agronomy Manager

As the growing season winds down, now is the time to prepare for corn harvest and start thinking about next year. Here are a few things to consider as you wrap up this year and look toward 2019.

Combine adjustment

Volunteer corn in soybean fields this past year serves as a reminder to properly adjust combines. It only takes two corn kernels on the ground per square foot to equal 1 bu/A, and that's not to mention dropped whole and partial ears that contain hundreds of kernels.

Yield monitor calibration

An important tool aboard most combines today is a yield monitor. This potentially valuable data resource only serves its purpose if properly calibrated. Consult your monitor's manual for proper instructions on how to calibrate your equipment.

Crop maturity and dry down

Kernel moisture at the onset of denting is around 60% and it generally takes an additional 30 days from the start of denting to reach physiological maturity (black layer). Black layered corn typically measures 30-32% moisture and it is at this stage that most feedlots and dairies begin to harvest high-moisture corn. Dry down rates for the remaining weeks in September average 0.5-1% per day. Drying speed slows to .25-.5% per day for the first two weeks of October and slows even more in late October. Corn rarely dries much once we hit November.

Stalk strength

Harvest preparation should also include a walk through the fields to determine stalk strength. This is particularly important in fields that have experienced stress from being too wet or nitrogen loss from leaching.

Stalk strength can easily be evaluated using the push test, where plants are pushed 45° (about 10 inches) from vertical at ear level. Plants that break following the push test are at risk for stalk lodging. Stalk strength can also be evaluated by pinching the lower stalk at the first internode above the brace roots, as hollow and deteriorated stalks will easily collapse when pinched. You can also split the lower stalks to check for rot.

Hybrid selection

Remember that no matter what happens this fall, now is the time to be thinking about next year. When selecting hybrids, spread your risk by planting multiple hybrids of differing maturity. The key is to identify and select those hybrids that are consistently top performers over multiple sites or years within a region. The importance of consistency in multiple environments is critical, since we cannot predict next year's growing conditions. Consult your local Hull Coop agronomist for the most up-to-date hybrid information this fall. ♦



BE COMFORTABLE THIS WINTER

Do you find yourself hoping for a mild winter so you won't suffer quite as much from the cold air trickling into your home? If that's the case, it's probably time to address those problem areas in your home that just aren't as weather-tight as they should be. We have everything you need to install weather stripping, put in replacement windows and increase your insulation.

Winter can also deliver a death blow to aging shingles, as well as decks and siding. We carry top-quality shingles and can schedule you for spring replacement or, if weather permits, get the job done yet this fall. As to siding and decks, visit our showroom and

check out our displays for some ideas on replacement options.

Our new assistant manager and draftsman, Brian Sipma, is also ready to sit down with you to help you plan your spring projects.

Every year, we draft plans and supply all the materials for new houses, commercial buildings and livestock facilities, as well as anything from simple do-it-yourself projects to complete home remodels. Let's get your dreams down on paper this fall so you're ready to roll when the weather breaks next spring. ♦



by **Eldon Van Den Top**
Lumber Manager

SWITCHING SEASONS

Changing seasons means changing conditions for our area livestock producers, too. Some of those changes can sneak up on us. The one that comes first to mind is feed delivery scheduling.

As the weather cools, feed consumption tends to increase as livestock work harder to maintain energy levels and body



temperature. Anticipating increased feed use can prevent sudden “uh-ohs” when feed runs out sooner than expected. It will also limit weekend deliveries, which our drivers greatly appreciate.

We’re already making some changes with ration formulation, such as pulling out the fly control products for dairy calf rations as fly season winds down. Be sure to talk to your Hull Co-op sales representative if you have questions regarding optimizing your rations for cooler weather.

Finally, as the temperatures cool, ventilation systems need to be adjusted to keep livestock comfortable and healthy. Your animals will reward your attention with steady weight gain and milk production.

We’re here to help with any and all feed or production questions, so don’t hesitate to give us a call. ♦



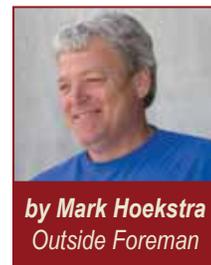
NEW BIN WILL BE READY FOR HARVEST

As you can see, the new bin is up and will be ready to take corn this fall. Based on the crops we’re looking at, we will be very happy to have the space come harvest. We’ve been busy trucking corn to the ethanol plant and turning an equal amount into feed, but it appears we will still have between 400,000 and 500,000 bushels on hand as harvest begins.

The other grain-related project this summer has been the

installation of a new bin sweep in order to convert one of our existing bins into a zero-entry bin. We will be able to control the cleanout process from the outside of the bin, eliminating the need for an employee to enter a bin to shovel or sweep it.

We’ll have the first bin done by harvest, and the plan is to convert the other three bins in the original line to this system, as the budget permits. ♦



Converting our older bins to zero-entry bins results in a safer working environment.



Our new 575,000-bushel bin will be ready for harvest.

TAX CHANGES AND CHARITABLE DONATIONS

For farmers who file a Schedule F at tax time, the new tax laws provide a greater incentive to consider charitable grain donations instead of simply writing a check.



by **Mitch Nettinga**
Assistant Office
Manager, CPA

With the tax changes increasing the standard deduction, fewer people will be able to realize the benefit of claiming their charitable contributions as itemized deductions. And they will still have to pay self-employment (SE) tax on the income they contribute. These two facts make charitable grain donations even more attractive.

When grain is donated, the value of that grain is not subject to self-employment tax, as it never appears on the Schedule F. Plus, the producer saves on his marginal tax rate by reducing his total income. Here's a hypothetical example from CPA Paul Neiffer, author of The Farm CPA blog and a regular contributor to *Top Producer* magazine.

"Assume Farmer Alex is a Schedule F farmer and earns \$110,000 from his farm operation. He files a joint return with his spouse and does not itemize. He is currently in a 25% tax bracket and is subject to the full 15.3% SE tax rate. He has two options. He can give \$10,000 in cash to his church or he can simply reduce his Schedule F income by \$10,000 and donate this amount of grain to his church. Option #1 gains him nothing since the cash donation is less than his standard deduction (there may be some state income tax savings). Option #2 saves him about \$3,830 (\$2,300 of income tax and \$1,530 of SE tax (income tax is increased by the reduction of the SE tax deduction))."

As always, if you have any questions about the new tax law and charitable contributions, talk to your tax professional before making any decisions. ♦

HE KNOWS THE ROPES



With experience as both a building center employee and a contractor, Brian Sipma understands all aspects of the construction trade firsthand.

"Before coming to Hull Coop, I worked at Neal Chase in Sioux Center and owned Precision Builders for five years prior to that," says Brian, the new assistant manager at the Hull Coop Building Center. "I'm very familiar with the drafting

program we have here and I know what contractors are looking for in a supply partner."

Brian, who joined the Coop staff in June and lives in Hull, is enjoying his new position. "I like working in town and the people here at the Coop," he says. "Being part of the projects in the area is great. So if you have a sketch or even a rough idea for a project—ag, commercial or residential—come in and talk to us. We'll help you make it happen."

Brian and his wife, Kelly, a nurse in Sioux Center, have three children: Teagan, 6; Easton, 4; and Emerson, 3 months. His spare time pursuits include hunting and fishing. ♦

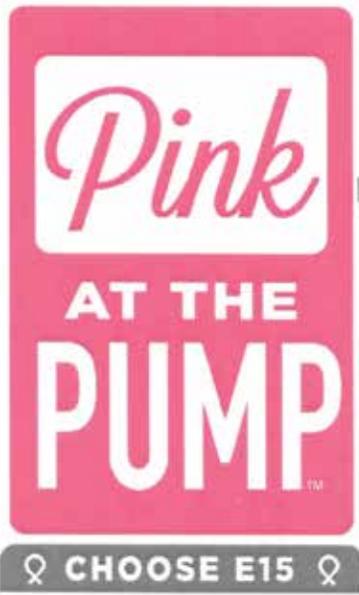
ENJOYING NEW JOB, NEW ADDITION

"I really like working for the Co-op. Everybody works well together to get done what needs to be done. It's been a good experience."



That's Cody Hoekstra, who joined the Hull Co-op team in April just in time for the spring rush. He trucks for both the agronomy and grain departments and also handles application duties. Prior to coming to Hull, Cody worked at a farrowing unit near Lester.

In addition to the new job, Cody is also adjusting to some big changes at home. He and wife, Mariah, welcomed their first child, Trenton Lee, on August 9. Trenton is going to be taking up more of Cody's hours away from work, which has been primarily devoted to spending time with Mariah and raising Rambouillet and Polypay sheep, as well as a few calves, on his mother's acreage. ♦



AS LEAVES TURN YELLOW, OUR PUMPS TURN PINK

Once again, this year you can join Hull Co-op to help fight breast cancer. When you choose cleaner-burning E15 at our Cenex® station during the month of October, we'll donate 3 cents for every E15 gallon purchased to the National Breast Cancer Foundation and The Hormel Institute. The funds will help combat breast cancer through early detection, education, support services and research.



by Phylliss Van Tilburg
C-Store Manager

We've joined forces with the Iowa Renewable Fuel Association and the Iowa Corn Promotion Board for this Pink at the Pump promotion. We're proud to offer E15, which is approved for use in all 2001 and newer vehicles, and contains fewer toxins and cancer-causing chemicals than straight petroleum gasoline.

After you've fueled up with E15, be sure to come in and take advantage of our full-service deli with daily hot food specials, as well as our amazing selection of snacks. ♦

Choose the Pink E15 Nozzle
To Fight Breast Cancer
October 1 - 31

CHARITABLE CHAOS

Ever wonder how many semi tractors you can fit on the Hull Cenex parking lot? Well, now we know. The answer is at least 90.

Commercial Chaos for a Cure 2018 stopped in July 14 during their annual poker run fundraiser for the June E. Nylén Cancer Center in Sioux City. This year's event raised \$21,000.



by Brad Nielsen
Energy Manager

It was fun to welcome all the truckers to Hull and participate in such a good cause. All of us at Hull Co-op would like to thank truckers for spending long days and nights moving the products we depend on. Hull Co-op is here to keep you going with food, fuel, service and more! ♦



Offer August 1, 2018, through September 30, 2018.

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THE LETTERS OF THE LAW

HACCP and FSMA ... a lot of letters that we use quite a bit at the cooperative, particularly when it comes to our feed department. What do these stand for and, more importantly, why are they important to Hull Coop customers?

First, HACCP stands for Hazard Analysis and Critical Control Points. It refers to a management system used in manufacturing to help us identify potential hazards in the process that can impact both our workers and the quality of our finished product—in this case, the feed we produce. By performing ongoing HACCP reviews, we can identify these hazards and put procedures in place to eliminate or minimize them. This is how we develop our Standard Operating Procedures, or SOPs.

Implementation of HACCP is a voluntary decision for feed manufacturers. At Hull Coop, we made the decision to follow HACCP procedures years ago to ensure that we maintain the safest possible work environment and produce feed products

of the highest quality. That's why Hull customers can have confidence that the feed they purchase is the right feed, free of contaminants and safe for their livestock. And why our feed employees can work under the safest possible conditions.

A new standard

In 2011, Congress enacted the Foods Safety Modernization Act (FSMA), with the intent of shifting the focus of the nation's food safety system from responding to foodborne illness to preventing it. Obviously, the first line of implementation was directed at those businesses who had the most direct contact with food items for human consumption—food processors like Smithfield, Hormel and PepsiCo, for example.

Over time, enforcement has expanded to include anyone involved in the chain of food production, including those who produce livestock feed. Unlike HACCP, participation in FSMA is not voluntary, and implementation and enforcement come under the control of the Food and Drug

Administration (FDA).

Fortunately for us, many of the requirements for FSMA compliance are things we have already been doing in our HACCP process. Not all feed manufacturers were following these procedures, so for them the transition will be considerably more difficult. We have been working for some time to ensure that we are ready to comply with the FSMA requirements when they go into effect for small food facilities (fewer than 500 employees) on September 17.

Ultimately, all of these letters mean more regulation for our industry. But the fact that we have been meeting these requirements in our feed manufacturing processes for years means that you can be assured the feed you purchase from Hull Coop is safe and nutritious for your livestock and, ultimately, the consumer. ♦



*by Karen Luinstra
Human Resources
and Safety
Manager*