



# Western Farmer

The Official Publication of the Garden City Co-op, Inc.

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January 2012

**Western Farmer**

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## 92ND ANNUAL MEETING

The Garden City Co-op, Inc. held its 92nd Annual Meeting on Tuesday, November 29, 2011, at the Clarion Inn in Garden City, Ks. There were 162 voting members among those that attended the meeting.

The auditing firm of Lindburg & Vogel, Chtd. was once again engaged by the Board of Directors for the independent audit of the records of the cooperative. Ed Michel, representing the firm, confirmed the audit and reviewed financial highlights in the Annual Report including Sales \$347,826,384.47; Gross Margins \$17,780,415.72; Gross Income from Local Operations \$24,118,662.39; Total Operating Expenses \$23,299,021.64; Other Savings \$5,566,090.29; Net Savings \$6,344,902.14; Total Assets \$109,745,335.90; Total Current Liabilities \$35,011,938.47; Total Long-Term Liabilities \$16,039,185.61; Total Member's Equity \$58,694,211.82; Retained Earnings \$26,594,094.43; and Patronage Dividends \$3,281,173.34.

Boyd Lear, Board Chairman, gave the Directors Report. In reflecting back, Boyd talked about the commitment of the membership to be investors in the communities which they surround and their endless commitment to their career path and the farming community as a whole. He talked about the task related efforts of farmers and their ability to work until everything is complete and also about the financial responsibilities of the company to return funds to the membership along with continuing to build equity and new assets.

## ANNUAL MEETING

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Gerald Fay spoke about his experiences as an Associate Board Member for the past three years.

John McClelland, General Manager, then gave the Management Report. John talked about the difficulties that farmers are facing in the industry and yet nothing as difficult as the farmer in Colorado dealing with an influx of bear population. He continued to talk about the new regulatory demands that continue to grow and demand more and more from the agriculture industry. He discussed the new additions to storage and the overall effect of this additional storage and the efficiency that this will bring to every harvest, along with the new blending system at Lowe Crop Production and approximately 3 million gallons of fuel storage. The need for continued growth of storage was discussed and a plan to build a facility South of Garden City was also discussed.

Randy Richmeier, Chairman of the Nominating Committee, was called upon to handle the Board elections. He announced that the candidates for the three Director positions were Tom Mulville, Bill Maughlin, Bruce Howard and Gerald Fay. There were no nominations from the floor. Each of the nominees gave a brief introduction of themselves. After the count of ballots, Tom Mulville, Bill Maughlin and Bruce Howard were elected.

Garden City Co-op employees who received service pins for years of service to the Co-op included: Ryan Herman, Ryan Kennedy, Romona Knight, Chris Wagner, Cindy Becker, Tim Giesick, Cindy Kotara, Ron Cockrum, Caroline Duvall - 5 years; Cindy Galloway - 20 years; Kevin Dickson - 25 years; Chris Murphy - 30 years; and Lupe Ruiz - 35 years. Lynn Teeter was also recognized for his years of service and his retirement effective 11-30-2011.

A question and answer session was then opened.

A handmade quilt was given as door prizes to Gene Shapland. Early redemptions of stock up to \$1,000 were given to Clinton Mott, Andy Strasser, Wauneta Messenger, Larry Voth and Ed Habiger. Pete Maestas announced the winners of the 4-Wheeler as Bob Harrington; Ron Claar the leather jacket; Dirk Shrimplin the shotgun; and \$50 Cabalas Gift Cards to Mark Mott and Brian Roth

## SAFETY UPDATE

Kirby Bradley, Safety Director

After two or three good to excellent years of harvested crops, 2011 was somewhat disappointing, both for us at the Garden City Co-op and our producer/patrons who haul the fruits of their efforts to us for marketing. With that being said, there is much to be grateful for. Commodities prices are up, maybe not as high as they have been recently but still an improvement over years in the not too distant past. We finally got some rain although not nearly enough (yet). And probably most importantly, we made it through the year without any major injuries or incidents. With the number of employees we have and the number of vehicles on the road and the amount of equipment at our locations and in the fields, we are exposed to a great deal of risk in our workplace.

With all of that risk exposure, it is a challenge to stay current on safety challenges in the workplace and to understand and implement the ever changing regulatory issues that continue to come our way under the heading of "Safety". The questions always asked are "Do we focus on safety and safety implementation issues?" or "Do we focus on regulatory compliance issues?" The correct answer is probably "yes" or "both", although maybe not with the same amount of emphasis. We want to always first focus on what keeps our people safe in the workplace. That is the ultimate goal and why we have a safety program. Sometimes, that includes implementing new regulations passed on to us through any number of government bureaucracies. At other times, these new regulations are strictly a compliance and paperwork issue that is required. Our intention is to adhere to both safety and compliance, but if push comes to shove, our priority will always be the safety of our employees and customers. About mid-summer, all of our employees participated in a "Safety Survey" facilitated by DuPont and the University of Minnesota. The survey asked a series of probing questions to get employees to respond to their perception of the safety in our workplace. The results were, for the most part, very positive and compared to the other companies in our peer group, we had the highest rankings. However, the results also pinpointed some areas in the employee group that need attention and we, along with the Safety Committee, are in the process of putting a plan together to help improve our safety performance in those targeted areas.

The Garden City Co-op headed up a project this past year involving the filming, production, and release of a safety video based on our unfortunate fatal injury which occurred at our Amy Elevator in November of 2009. A member of one of our patron families, who has a background in exactly this sort of production, did the actual filming and editing (along with his crew) and the end result was more than we had hoped for. The video, though based on a bin entry gone bad, focuses more on safety in the workplace and the need to follow implemented safety practices and procedures while on the job. This video, titled "**Roberta's Request**", is a very powerful video urging everyone to be safe in whatever they are doing, at work or otherwise. This video is available on DVD at the Main Office of the Garden City Co-op, Inc. or it can now be accessed from the Co-op's website or on the internet through "You Tube" at the following link:

<http://www.youtube.com/watch?v=kRhk2lougPw>

## Thanks and BE SAFE !!!

# GRAIN DIVISION NEWS

Ken Jameson, V.P. Grain Division

The year 2011 is one to remember and one to forget. On the good side, we completed two major projects. At Wolf and Shields, we added a little over 800,000 bushels of new storage space at each location and new 15,000 bph legs. These two facilities had been short on storage space for years and both were full at the end of the 2011 fall harvest. We continue to study projects for Gano and Hickok, but have land acquisition issues at both locations. Also on the good side, we were able to pay patronage back to you on grain even though the wheat crop was well below normal. You will be getting the check in January that represents 19.7¢ cwt. on grain sold to us and 14.92% on storage paid to us for the year, 30% paid in cash.

Now on the side to forget, Mother Nature did not want to cooperate at all this past year. The result was a wheat harvest that was 41% of our 5 year average, but although the bushels were down, overall quality of the crop was good. The wheat crop in the ground now, for the most part, is in better shape moisture-wise than a year ago, but it has a long way to go.

As the drought continued into the late summer months, it severely affected the fall crops. As irrigators began to approach their water allotment limits, some cut back to save one-half of the circle, others took corn off as silage or more was cut as high moisture. The dryland producers could only stand back and watch their crops burn up. As a result, our harvest receipts versus our 5-year average were 28% on milo, 65% on corn and 57% on soybeans.

No one knows for sure what the weather will do in 2012, but living in South-west Kansas means we're optimistic and looking forward to working with you in the new year. We appreciate your business from past years and know we have to earn it going forward.



Wolf Elevator construction completed.



Shields Elevator construction completed.

*("Click Here" for [Wolf Elevator Slideshow](#) or for [Shields Elevator Slideshow](#).)*

## Tandem Truck

The Grain Division is looking to buy a good used Tandem Truck with a grain bed and hoist. If anyone has one for sale or knows of one for sale, please contact:

Ken Jameson - (620) 275-6161  
Toby Wilson - (620) 397-3000  
Chris Wagner - (620) 356-1219

## GARDEN CITY CO-OP, INC. GRAIN MARKETING MEETING

March 6th, 2012  
Garden City Co-op Center (Main Office)

The meeting will start at 12:00 Noon with a lunch served

The Program will have:  
Jeff Hutton—National Weather Service  
Kyle Smith—FC Stone, L.L.C.

Come have a great lunch on us  
and  
Get some timely information

Garden City Co-op, Inc.  
Moving Forward Together!



Watch for Your Invitation  
In the Mail



## Patronage Paid in January 2012

Grain Sold -- 19.7 cents/cwt.  
Storage -- 14.92%  
Petroleum -- 2.617%  
Commercial Fuel -- 1.025%  
(30% paid in cash,  
70% paid in stock)

## For Daily Grain Bids or To Sell Grain

620-275-6161 (G.C.)  
620-356-1219 (Ulysses)  
620-397-5343 (Dighton)  
Visit our website at:  
[www.gccoop.com](http://www.gccoop.com)



# WESTERN TRANSPORT UPDATE

Derek Bownes, V.P. Transportation

With the winter months being known as the slow season in transportation, we are thrilled to say this has not been the case for Western Transport. We currently have 20 units rolling down the road with all the commodities we have on the move. With the mild winter, we have continued to move ammonia in the eastern part of the Kansas and throughout Missouri. We are starting to move more contract fuel loads into the Lowe storage tanks as well as build on local fuel customers. We have also been focused on moving Butane throughout Oklahoma and Kansas to keep our pressure vessels busy throughout the winter.

As mentioned above, we are now operating 20 units with 15 of them being owned and 5 of them being Owner Operators. We continue to cover areas from Central Texas to the Dakotas and from Eastern Colorado to Central Missouri. With our main focus being work for the Garden City Co-op, we still stretch our boundaries to keep this equipment busy when things become slow in the area.

Western Transport has teamed up with the Special Olympics group from Kansas to develop the World's Largest Truck Convoy for Special Olympics. Last year, the Kansas Special Olympics ranked 2<sup>nd</sup> out of the 34 U.S. states and the 7 Canadian provinces which participated bringing in over \$503,653 in 2011. We are shooting to make the Kansas Convoy the largest. We have teamed up with law enforcement to assist in the event as well as to be a part of the Law Enforcement Torch Run. This raised an amazing \$38 million throughout 50 U.S. states and 40 nations in 2011. We are starting a new run for Southwest Kansas which will start in Garden City, KS and end in Cimarron, KS. At that point, we will be meeting the group that will start from Dodge City, KS and end in Cimarron. There will also be a group from Meade, KS to Cimarron. Once at Cimarron, there are several events where the drivers meet and participate in events with the Kansas kids. The event will be held on April 21, 2012. Motorcycles are welcome as well. If anyone is interested in joining this great event, please contact anyone in the Western Transport office at 620-271-0540.

We are gearing up for a demanding spring as we know you are as well. With this in mind, we are looking at several opportunities to make certain we have the equipment necessary, in position, and to cover whatever challenges we may possibly face in the future; whether it is lines or simply the volume of product needing moved. We have seen a number of changes among the terminals we load out of both fuel and fertilizer that will demand some changes on our part. This is to ensure our customers don't experience product shortage due to logistics.



Special Olympics Convoy - June 2011

## WESTERN FARMER NEWSLETTER

This issue of the Western Farmer Newsletter was published only on the Garden City Co-op website. There was no printed version of it mailed. To cut back on costs, we will notify you when new versions of the newsletter are available for you to view by posting a notice on the Home Page at the top in the "New Updates" section.

Within this newsletter, if you click on any of the links or any place that it tells you to "Click Here", it will take you to PDF files, Slideshows, YouTubes, etc. to provide you with more information.

The plan is to publish a new "Western Farmer" issue quarterly, so be watching the "New Updates" section on the Home Page to know when a new issue is available.

## UPCOMING MEETINGS:

**Grain Marketing Meeting** - March 6, 2012

**Ag Expo** - March 21, 2012

Look for details on these meetings in this issue of the Western Farmer.



Western Transport Fleet of Trucks



(["Click Here"](#) for **Special Olympics Convoy Slideshow.**)

## PETROLEUM NEWS

Pete Maestas, Petroleum Manager

The Garden City Co-op, Inc. Petroleum Division would like to congratulate the winners of this year's prizes given away at our Annual Meeting held on November 29, 2011. Bob Harrington won the Polaris Four Wheeler, Dirk Shrimplin won the Winchester shotgun, Ron Claar won the Cenex leather jacket, Mark Mott and B and L Grain Farms were both winners of the \$50 Cabela's gift cards. We congratulate these winners and thank everyone who purchased Cenex Lubricants and made these prizes possible. This year, we will be giving away a beautiful black 2012 Polaris 550 4x4. This four-wheeler was purchased at Garden City Power Sports of Garden City. ([Click Here](#) for [Details on How to Enter Drawing](#).)

As of this writing, fuel and oil prices continue to be on a never ending roller coaster ride. Throughout this past year, we have seen farm diesel prices anywhere from the \$2.50 range back in December of 2010 on up to \$3.50 as little as a few weeks ago. Fuel prices have dropped a considerable amount in the last few weeks but supply and demand issues along with weather and overseas markets can change a downward trend into a skyrocket that can be out of reach in a short period of time. Although the fuel market can be extremely volatile, so

can lubricants. As many of you have probably noticed this past year, we have seen some increases in oil and greases. The base stocks derived from crude oil to make lubricants continue to be in short supply as they have been for the last several years. As crude prices fluctuate up and down, in a short period of time this does not always affect lubricant prices short term but rather long term. Base stocks are sometimes purchased one year or more in advance of manufacturers using the product so they can obtain enough to produce lubricants and greases.

The **"Hard Working Bonus"** is currently in effect on lubricants purchased between November 1, 2011 and January 31, 2012. Customers can earn one \$75 gift card for every 100 gallons of Cenex Superlube TMS®, Superlube 518®, Qwiklift® HTB®, Maxtron® Enviro-EDGE®, Maxtron® DEO and/or Maxtron® THF+. Customers can choose between four popular gift cards: Cenex, Applebee's, Cabela's, or Sears. **ADDED BONUS** for purchasing Cenex grease. End users can earn one additional \$25 gift card for purchasing a minimum of four 10-packs of Cenex branded grease. Limit one \$25 gift card per customer submission. Grease purchases do not count towards the 100 gallon minimum to receive the \$75 gift cards. Customer must also qualify for a \$75 gift card (purchase of a minimum of

100 gallons of qualifying lubricants) to qualify for the additional gift card for purchasing grease.

This is a good time to start getting fuel tanks and pump equipment ready for next season. If your tanks have sat for extended periods of time with little or no fuel in them, there is a good chance they have accumulated condensation in them. If this moisture is not removed through a drain on the tank, it will more than likely build up in pump filters with water separators or travel into your equipment's fuel system. In any case, the best solution for this is to remove as much moisture as possible through the bottom of the tank or make sure you have a way to remove moisture before it gets into your equipment. Keeping filters changed on your pump equipment regularly will help in this matter.

Please stop by our office located at 7th & Fulton if you have any questions on fuel or lubricants. While you're here, get registered for the four-wheeler. If you're unable to stop by, give us a call. Our office number is 620-276-8301; Pete's cell 620-271-7622; Brent's cell 620-272-7296; and Travis' cell 620-271-7666. We thank you for the business you have done with us in 2011 and look forward to serving you in 2012. The Garden City Co-op, Inc. Petroleum Division hopes you have a safe and successful 2012.

## Thank you from Cenex Lubricants!

### Hard Working Bonus

End users can still earn 1-\$75 gift card for every 100-gallon qualifying purchase from Nov. 1, 2011 - Jan 31, 2012.

Contact your Garden City Co-op Petroleum Division with any questions you may have.



## 2012 Polaris 550 4x4



([Click Here](#) for [Details on How to Register to Win this 2012 Polaris 4-Wheeler](#).)

## CROP PRODUCTION UPDATE

Tim Giesick, V.P. Crop Production

Great News! We finally received some measurable precipitation and things are looking up. Farmers are thinking about their input needs for the upcoming wheat and fall crops for 2012. We here at the Garden City Co-op are ready and waiting to service our customers' needs again in 2012. We will be offering exclusive chemical programs, financing programs, agronomy and seed solutions along with world class service. What more could you ask for?

We offer a full line of Monsanto, Syngenta, Mycogen and Croplan seed varieties along with seed treatments for the protection of your crops. Garden City Co-op is proud to announce the employment of a new seed manager and salesman. Brian Rehor will be assuming the duties of Seed Manager for the Co-op. Brian most recently was the Monsanto Seed Agronomist for Southwest Kansas. Brian lives in Garden City and comes to us with a wealth of knowledge and expertise. Logan Dreiling will be assuming the duties of Seed Salesman for the Co-op. Logan is a native of Scott City. We are very excited about the future of our seed business. Brian and Logan will be calling on you in the near future. If you have any questions, please feel free to call Brian Rehor at 620-640-1973 or Logan Dreiling at 620-874-1738.

We are planning our second annual Ag Expo for March 21, 2012. Customers that attend the Expo will be able to access representatives from both the chemical manufacturers and distributors. We are planning on Bruce Vincent as our featured speaker. ("Click Here" to read [Bruce's Biography](#).)

In 2011, the Garden City Co-op Crop Production Division invested in several new services and equipment to service our customers. We installed a Liquid Mass-Flow System at Lowe that has improved our loading efficiency by over 66%. In the Dighton area, we moved the NH3 Plant out of town to their new location two miles North of Dighton. We also installed a seed treater in our Seed Cleaning Plant so we can now clean and treat your seed wheat all at the same time. Crop Production has purchased twenty more double tanks making a grand total of 74 double tanks available to our customers. We are in the process of Building a new Anhydrous Ammonia Plant in Scott County with a completion date of early Spring 2012. ("Click" on [Liquid Mass-Flow System at Lowe](#), [Dighton NH3 Plant Moved & Double Tanks Purchased](#), or [Building a New Anhydrous Ammonia Plant in Scott County](#) for short slideshows.)

We here at the Co-op are investing in the most important resource needed for the future; that being personnel. We are committed to hiring the best trained and most effective people in the industry. We are planning for the next fifty years, not just the immediate future.

We have just released our retail chemical price sheet. Our sales people are in the field spreading the news. Please feel free to call for fertilizer, seed and chemical pricing if we haven't made it to your farm yet. Listed below are our staff contact numbers:

Tim Giesick (620) 272-6691

Michael Kempke (620) 271-3446

Ryan Kennedy (620) 290-3512

Kyle Korf (620) 290-4821

Danny Titus (620) 295-0589 (Dighton area)

2011 was another great year for the Garden City Co-op. We would like to express our gratitude to the patrons that made last year a success. We here at the Crop Production Division look forward to servicing all your agronomy needs for 2012.

## CO-OP ACCOUNTING SYSTEM CHANGES

IT Manager, Jeff Boyd

We wanted to inform you of a change coming soon. The staff at GCC has been reviewing its accounting systems for the past year in an effort to find a solution to better meet both the Co-op's and your needs. Today's regulatory environment and the need to be real time and more accurate with data required us to change our accounting system for your Co-op. We chose a system that will allow us to be much more efficient and utilize our financial data more effectively. The system is built on current IT standards which will allow us to respond to changes in agriculture more rapidly.

The divisions that will utilize the new system will be Petroleum, Crop Production, and Administration. Grain will continue to use its current system. Staff is currently being trained on the new system and we are planning for a smooth transition. Our current plan is that we will migrate to the new system on February 1st.

This change will affect our customers in a few ways.

You will have a new account number for the new system. The new number will be alpha-numeric instead of numeric only. Your grain account number will remain the same.

Our documents that you receive from us such as statements and invoices will have a different design.

We will have a new online account portal to access your non-grain information such as statements and electronic payment. Patron Access will still be available for grain information. In the beginning, the two online access websites will be separate, so you will have to request a new login for the new site. We understand this is not the best solution, so we hope to link the two sites in the future so you can have only one login to access both your grain and other information.

As previously stated, we hope this is a smooth transition for your Co-op, but we understand we will have some challenges. If you have any comments or suggestions, please let us know. You can contact us at the Main Office, 620-275-6161 or 800-794-9389.

# "Moving Forward Together"





## **GARDEN CITY CO-OP, INC.**



cordially invites you to visit our  
**2<sup>nd</sup> Annual Ag Expo at:**



**The Clarion Inn, Garden City, Kansas**  
**March 21, 2012**  
**From 10:00 am to 2:00 pm**



Lunch will be served at 12:00 pm.  
Several area sales representatives from the major chemical, seed, fuels and lubricants, and wholesale companies will be present handing out flyers and fact sheets regarding their product.



At 12:45 pm, the guest speaker will be Bruce Vincent,  
Motivational Speaker from Montana.

Keynote Brief: "With Vision, There Is Hope."

Garden City Co-op is making a consolidated effort to improve communications between our customers, the manufacturers, and the distributors.

Have a steak and win a door prize!  
Please RSVP Cindy or Delores at (620) 277-2230, by March 14, 2012.

Watch for Your Invitation in the Mail



## "HOW CAN WE MAKE THEM LIKE US"

In the depth of winter, I often find myself longing for the fresh produce of a garden. I am sure I am joined by many in my appreciation of a home grown tomato or a fresh crunchy cucumber. There is nothing controversial about the peace of mind that comes from tending a growing plant. The fresh vegetables are good for the body but the process of being involved in the production of your own food is tremendous for the soul. I generally believe that people would be better off if they attempted to connect to the natural world whether it involves 10,000 acres of crop or an inner-city tomato plant sitting on a terrace overlooking a busy interstate highway. The journey from seed to food is one of life's miracles that all of us should be reminded of every day.

Not all gardens are equal. I watched with dread and concern as the news media covered the planting of the White House garden by Michelle Obama and a group of school children last spring. I sensed that this was not about connecting to nature or healthy eating. This was a maneuver to promote the "Local Food" movement. I was amused as just a few short weeks later this organic garden overflowed with produce right out of the pictures of a seed catalog. I had no idea that Washington DC had such an accelerated growing season. Evidently the same bugs and pests that fight for control of my garden don't show up in the **organic** setting of the immaculately landscaped grounds.

My concern is that people outside the farming business are scared about their food. They are swayed by reports of corporate farming and pesticides. They worry that you don't have their children's safety in mind as you produce the food they eat. They think you are detached mega-business people driven only by the profit (evil) motive. The people that portray this are very effective and understand marketing to emotions and fear. In farming, we have countered that so far by using dry logic and mostly talking to each other about why they don't understand us.

The threat is not that they won't like us. The threat is that they will use the fear and misunderstanding of consumers and voters to eliminate you and your production of the safest, most wholesome and productive food system ever known. We are not alone. They use the term "Big Food" because it worked for "Big Oil". They will attack our farms just as they have the forests that were planted and conserved by the timber industry. They will use regulation and bureaucracy to halt progress just as they have in preventing the Sunflower Electric expansion and the Keystone Pipeline.

The threat is real and imminent and we will lose our industry and livelihoods if we don't react before it is too late. I am not advocating wild or extremist activity. People hold farmers in the highest regards. We will win every time they get to meet you and hear about who you are and how much you care about the food you grow.



John McClelland  
General Manager

Please join us at the Garden City Co-op Ag Expo at the Clarion Inn on March 21st. There will be loads of information and deals. There will be plenty of door prizes to go around. The main draw though will be our speaker. We will have Bruce Vincent tell us about the threats to our farms from environmental and food activists. I have heard him and he will do it in an entertaining and inspiring manner. Bruce is a plain-spoken logger from Montana. He brings stories of what happened to his business and how they reacted in a positive manner. His message is that we are the people in the heartland that make stuff. We need to hang together whether we are farmers or fishermen, loggers or miners, oil men or electric companies or fertilizer manufacturers. We need to tell our stories and win the battle of emotions and fear by showing our passion and commitment. Please join us for this entertaining and inspiring presentation. Your farm may just depend on it.



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