



# Western Farmer

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

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**July - September 2008**



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## **2008 Fall Harvest**

*Ken Jameson, V.P. Grain Division*

The 2008 fall harvest is approaching and the outlook is definitely different than last year through most of our trade territory. Making space for this fall's crops is going much smoother than last year. We still have grain to ship but so far, everything is pretty much on schedule.

Our shrink schedule will remain unchanged for all grains from last year but our drying schedule will reflect some changes. You are all very well aware of what propane and natural gas prices have done over the past couple of years and this will be our first adjustment since the 2005 fall crop. A copy of the new schedule is included in this Western Farmer and it can also be found on our website at [www.gccoop.com](http://www.gccoop.com).

Our grain handling locations will remain unchanged from last year's for fall crops. Elevators receiving corn will be Garden City, Deerfield, Wolf, Lowe, Gano, Pierceville, Charleston, Amy, Dighton, Shields, Utica, Arnold, Ransom, Hickok, Ulysses, Milepost, and Lakin. Maximum moisture received is on an elevator by elevator basis depending on their situation, so check with the elevator before delivering. All elevators will receive milo, and again, moisture maximums will depend on each elevator's situation. Elevators receiving soybeans will be Garden City, Deerfield, Pierceville, Wolf, Tennis, Charleston, Dighton, Hickok, Ulysses, and Lakin, with the maximum moisture 13%. If one elevator cannot handle a particular load, check with us because we probably can at one of the other locations. It just takes a little communication on both our parts.

We will be receiving Nu-Sun sunflowers only at Friend, Dighton, and Ulysses. Each load will stand on its own except for the oil premium or discount where we will use a three load composite sample. Our discount-premium schedule will be the same as the Northern Sun's plant in Goodland, Kansas. Maximum moisture we will receive will be 10%, no exceptions, so do not cut a truck load sample. We will require all sunflowers to be sold by March 31, 2009 because we will need the space for wheat harvest.

Harvest is always a pressure filled time for everyone involved but we want to remind you to take the time to do whatever the job is safely. No crop is worth a life or limb and we see you as friend, not just a customer, and we want to see you walk thru our office doors for years to come. We appreciate your business and know it is something we have to earn everyday.

## Crop Production Update

*Tim Giesick, V.P. Crop Production Division*

Finally after a long period of dry weather, we have received a substantial rain over most of our trade area, and with the recent rains, your local Co-op's spray rigs along with the many farmer owned spray rigs will be busy once again. It's hard to believe, but in less than two weeks, fall harvest will begin and soon after that, we will start what we anticipate to be a very busy fall ammonia run. Most of our farmers have prepaid ammonia that they will need to apply before the first of the year. With that being said, our best advice is to start as soon as you can get into the fields. Our big tractor application rigs are busy running acres in Oklahoma. As soon as it is time to start strip-tilling at home, we will have 2 Rigs running full-time. We have already started a list of strip-till acres to run when the season starts, so I would encourage you to put the acres you intend on us running on the list. (It will be first come –first serve).

Even with all the dry weather we have experienced recently, there has been some good come of it. That being, fertilizer prices have seemed to level off for the time being, only because there is not much volume moving. As soon as we start any kind of fertilizer run, I look for prices to firm up or increase with demand. Your Co-op has taken several cost positions on fertilizer products. In return, we are offering you, our customers, the same opportunity to participate in these positions. Please feel free to contact our sales staff and ask how they can help you control the high fertilizer prices. As all of you have experienced, chemical prices are on the rise again. I would encourage you to keep in close contact with the Co-op sales force for market intelligence on chemical pricing.

We recently held a meeting in the Co-op Center with the main topic being the new fertilizer enhancement products called Avail and Nutrishere. We feel like with all the positive research and information provided, along with all the great questions from our local farmers, this meeting was very successful. Our Lowe facility has already sent fertilizer out successfully treated with Avail without any problems, so we are ready to meet all your Avail and Nutrishere needs whenever you are ready.

Since we are getting close to the end of our fiscal year, I would like to take this opportunity to say thanks to you our customers and all the Garden City Crop Production staff for a very successful year. We look forward to serving all your Crop Production needs for the upcoming year and hope that our customers are even more prosperous in the future.

## Western Ag Chemical

*Brooks Wick, Manager*

It has been a while since we have had an article in the Western Farmer. With that, we are going to update you on who we are and new locations at Western Ag Chemical.

Western Ag Chemical is a local cash and carry chemical retailer. We have four locations, Garden City, Ulysses, Liberal, and Dighton. Our goal at Western Ag is to provide a full line of agricultural products to the producers of Western Kansas and the Oklahoma and Texas Panhandles at low cash prices. Chemicals may be picked up at the warehouses or delivered directly to the farm. Western Ag Chemical is owned by the Garden City Co-op, Scott Co-op, and Plains Equity Exchange.

With the way chemical prices have increased over the last year, and seem to continue to increase as we get closer to the end of the year, availability of some chemicals will become an issue in the upcoming season. We are trying to take the best positions we can on buying chemical for the 2009 season. Glyphosate seems to be one of the chemicals that is volatile. We are trying to get the best information we can on glyphosates for the 2009 season. There are some other chemicals out there that we can spray on stubble to get some of the tougher weeds.

Give us a call to visit about your chemical needs for the rest of this year and the 2009 season. You can reach us at any of the following locations: Garden City : Kevin Stimatz (620-290-1274), Brooks Wick (620-640-3726), Office (620-275-1079), Ulysses: Darren Watson (620-952-0598), Doyle Yost (620-952-1264) Liberal: John Lehnert (620-290-1619) Dighton: Brooks Wick (620-640-3726).

## Business Units

As with wheat harvest, we will be using business units rather than the joint account numbers used in past years. Business units give us the ability to apply your tickets to an account for you by field or section along with the landlord giving you the ability to know what your production is by field if you wish.

If you do not already have business units set up by field and wish to, please visit with one of the grain offices so we can set your accounts up for you before harvest to speed things up at the scale during harvest. Also, please have your truck driver or custom cutter tell them at the scale which field the grain is from in addition to the landlord so we can get the grain into the correct account the first time minimizing changes needed at division time.

## Dighton Seed Plant

Garden City Co-op - Dighton Seed Plant is now cleaning hard red wheat. If you have any questions, please contact (620) 397-2437 or (620) 397-5343.

**See Jayrene at Dighton for all  
your cell phone needs.  
Jayrene is located in the  
Dighton Office  
Phone 620-397-5343**



## For Daily Grain Bids or To Sell Grain

620-275-6161 (G.C.)  
620-356-1219 (Ulysses)  
620-397-5343 (Dighton)  
785-391-2336 (Utica)  
785-731-2275 (Ransom)

Visit our website at:  
[www.gccoop.com](http://www.gccoop.com) or  
[www.gccoop.com/mobile](http://www.gccoop.com/mobile)

## Western Transport

*Kary Smith, Manager*

In an environment that has record high fuel prices, the transportation industry, which is traditionally challenging, is even more so today. Higher fuel prices have an obvious direct affect on trucking, but also an affect on all of us as consumers. Let's face it, there isn't much of anything that is available to consumers that isn't on a truck at some point. In my family, we have noticed a definite increase in our grocery bill over the past few months, with our buying habits still the same.

At Western Transport, we are aware of these challenges that not only we are faced with, but our friends and customers in the ag industry as a whole. We remain focused and driven. We see new opportunities with these challenges. Wherever fuel prices decide to land, that doesn't change the need for the movement of goods.

All ten of our trucks are seeing lots of road. We have remained very busy moving fuel. We work very closely with the Garden City Co-op Petroleum Dept. to move the maximum amount of fuel on days when the price is down. We have also been bringing bulk oil from Texas into the Petroleum facility. We have been very busy moving all forms of fertilizer from several points in Oklahoma and Dodge City to Garden City Co-op facilities and to your farms. Corn and wheat have also been steady movers as we transfer from elevators to trains, alcohol plants, and feedyards.

August 24-30 is National Truck Driver Appreciation Week. Western Transport is fortunate enough to have an exceptional group of dedicated professionals running our equipment many miles on a daily basis. They work long and hard hours. Although the work they do is often behind the scenes, it is a major part in keeping the Garden City Co-op operational. I would like to take this opportunity to thank them, and would encourage you to do the same as you see them.

## Garden City Co-op, Inc.

**Moving Forward Together**

See the experts at the Lowe Fertilizer Plant & Dighton Crop Production Division for all your Crop Production Needs.

**Lowe Fertilizer Plant**

**620-277-2230**

**Dighton Crop Production**

**620-397-2437**



## Spider Mite Control for 2009

*Fred Fisher, Agronomist, Crop Profit\$*

One of the most important pest problems of the 2008 corn growing season has been Spider Mites. Development of this pest is favored by hot / dry weather and until early August, 2008 was one of the driest summers on record. Under periods of high temperatures and low relative humidity, Spider Mites can complete their life cycle from egg to adult in 3 to 4 days. The adults damage corn by feeding on and destroying corn plant cells one cell at a time.

Over the past 20 years we have seen about five different miteicides come and go. Spider Mites have a tremendous reproduction capability and because of this they have many opportunities to develop resistance to the pest control products. It is clear that Capture has lost most of it's effectiveness in controlling this pest. There were even isolated failures using Oberon in 2008. One new product to consider for 2009 is Onager. We had the opportunity to evaluate control with this product on about 3,000 acres of corn scattered across southwest Kansas and the Oklahoma panhandle.

Onager is basically birth control for spider mites. It sterilizes females and their eggs and has no effect on health and activity of the adults. It works by stopping reproduction and waiting for the adults to die of old age. Because of this, it is not suited for rescue applications. Of the 3,000 Onager treated acres of corn we evaluated this summer, only 2 fields required additional miteicide treatments. In both of these cases where the Onager was not effective, the fields moisture stressed hard and lost most of their leaves about two weeks after the application. Where we were able to maintain plant health, season long control occurred.

Onager is probably not a product that needs to go on every corn acre. Because it is a preventative product, it needs to be applied prior to problems with spider mites developing. It should be considered on fields that historically have spider mite problems. These include flood irrigated corn, corn circles where CRP is planted in the corners or in some cases where corn is planted no-till or strip till into volunteer wheat.



Fred Fisher  
Cell: 620-640-1600  
E-mail: fredlu@wsbnet.org

800 Yucca Path  
Garden City, KS 67846



## Petroleum Update

Pete Maestas, V.P. Petroleum Division

Since our last newsletter, the diesel market price has dropped tremendously. Just when things were starting to look really bad they got better. Right now it is anybody's guess as to what the market will do next spring. With hurricane season here, I am sure we can see an active crude market if any storms develop in the gulf region. Don't let Mother Nature affect your harvest fuel price, make sure those farm tanks are full and ready to go. Also, now is a good time to consider purchasing oil this fall prior to next season usage. The Cenex "Treats on Us" promotion will be starting in October. With purchases of 100 gallons or more on select lubes customers are entitled to gift cards. Those who are not familiar with this program should give us a call or stop by our office located at Sixth & Fulton.

On August 15<sup>th</sup>, we held a grand opening at the U-Pump-It Country Corner formerly known as Garden City Co-op Country Corner with discounts on all ethanol products and free hot dogs and hamburgers. I would like to thank the Ethanol Promotion and Information Council (EPIC), Western Motor Co. and the Kansas Corn Growers Association for their donations and support in promoting the new ethanol blender pump. As a reminder, the ethanol products available are E-10, E-20, E-40, E-50 and E-85. Any questions regarding use of ethanol products in your vehicle, please consult your dealer or service shop. We do have some information available at our office. When purchasing ethanol products, you are helping local area farmers and the grain market.

With fall harvest upon us, it would be a good time to check your tanks and make sure you have enough fuel and lubricants to get that grain in the bins. We don't want anyone running out of fuel this season, so let us know about all of your fuel and lubricant needs. Our office hours are 8:00 a.m. to 5:00 p.m. Monday through Friday and 8:00 a.m. to 12:00 p.m. on Saturdays. We can be reached at 620 276-8301. We appreciate your business. From everyone at Garden City Co-op Inc., have a safe and prosperous harvest!



## Petroleum Restructure

John McClelland, General Manager

The Garden City Co-op has been restructuring the petroleum business to move away from retail fuel sales to non-farm customers. This has resulted in the sale of the Country Corner East truck stop in Garden City to the U-Pump-It system. At the end of August, we also sold the Dighton service station to Brett Marsteller and the Ransom service station to Holly's, LLC. The automated fueling stations in Garden City and Pierceville were sold to U-Pump-It, the AFS in Dighton was sold to Shull Oil. The Ransom, Arnold and Brownell AFS's will be operated by Hagan's Repair for Holly's.

We have moved forward in this effort for three good reasons. First, it is the best for our famer member/owners to have us focused on their business. It will prevent us from having to divert the hard earned patronage dollars from our members to fight retail gas wars in town or to support businesses that the Co-op has not been able to be profitable in. Second, it serves the communities that we reside in to provide local ownership so that the businesses may provide a higher level of service. Third, it provides good opportunities for local businesspersons and their families to stay and own their own business in their hometowns.

We encourage you to support these new businesses to help them grow strong. We will continue to serve these communities by supporting these businesses as a reliable and competitive supplier.

### GARDEN CITY CO-OP, INC. BOARD OF DIRECTORS

2007-2008

Boyd Lear -	Board Chairman
Tom Mulville -	Vice Chairman
Randy Richmeier -	Sec./Treasurer
Kendall Clark -	Asst. Sec./Treasurer
Michael Deaver -	Director
Tim Miller -	Director
Steven Krehbiel -	Director
Bill Maughlin -	Assoc. Director
Bruce Howard -	Assoc. Director
Jon Nuttle -	Assoc. Director

### STAFF MEMBERS

John McClelland -	General Manager
Brent Merz -	C.F.O.
Ken Jameson -	V.P. Grain
Tim Giesick -	V.P. Crop Production
Pete Maestas -	V.P. Petroleum



Garden City Co-op, Inc.  
P.O. Box 838  
106 N. Sixth St.  
Garden City, KS 67846  
(620-275-6161)

## GARDEN CITY CO-OP, INC. 2008 CORN & MILO DISCOUNT SCHEDULE

**As of 9-1-2008**

### DISCOUNT SCHEDULE AT TIME OF SALE TO PREVAIL

\*\*\* SUBJECT TO CHANGE WITHOUT NOTICE\*\*\*

#### **CORN**

Shrinkage will apply to each load.  
1.3% to 15.5

<u>Moisture</u>	<u>Drying Cost Per Bu. Dry Base</u>
15.51 - 15.75	.01
15.76 - 16.00	
16.01 - 16.25	.02
16.26 - 16.50	
16.51 - 16.75	.03
16.76 - 17.00	
17.01 - 17.25	.04
17.26 - 17.50	
17.51 - 17.75	.05
17.76 - 18.00	
18.01 - 18.25	.07
18.26 - 18.50	
18.51 - 18.75	.09
18.76 - 19.00	
19.01 - 19.25	.11
19.26 - 19.50	
19.51 - 19.75	.13
19.76 - 20.00	
20.01 - 20.25	.16
20.26 - 20.50	
20.51 - 20.75	.19
20.76 - 21.00	
21.01 - 21.25	.22
21.26 - 21.50	
21.51 - 21.75	.25
21.76 - 22.00	
22.01 - 22.25	.28
22.26 - 22.50	
22.51 - 22.75	.32
22.76 - 23.00	

Above 23.00 - 4 cents bu. per 1/2 pt. moisture.

**23% moisture top limit on corn.**

**18% moisture top limit on milo.**

***(Each individual elevator's circumstances can warrant changes in these limits).***

**13% maximum moisture on soybeans.**

#### **MILO**

Shrinkage will apply to each load.  
1.2% to 14.0

<u>Moisture</u>	<u>Drying Cost per Bu.</u>
14.00	-0-
14.01 - 14.25	
14.26 - 14.50	-0-
14.51 - 14.75	
14.76 - 15.00	
15.01 - 15.25	.04 bu.
15.26 - 15.50	
15.51 - 15.75	.05
15.76 - 16.00	
16.01 - 16.25	.06
16.26 - 16.50	
16.51 - 16.75	.07
16.76 - 17.00	
17.01 - 17.25	.08
17.26 - 17.50	
17.51 - 17.75	.09
17.76 - 18.00	

Above 18.00 - 2 cent bu. per 1/2 pt. moisture.

#### Test Weight Discount: CORN

1 cent bu. each # below 55# if 15 moisture or less  
1 cent bu. each # below 54# if 15-20 moisture or less  
1 cent bu. each # below 53 if 20-25 moisture or less  
1 cent bu. each # below 52 if 25% or higher  
5 cents bu. each # below 50# if 15 moisture or less

#### Test Weight Discount: MILO

1 cent bu. each lb. below 55 to 50  
5 cents bu. each lb. below 50

6 cents bu. - Weevil discount on Milo & Corn

6 cents bu. - Musty discount on Milo & Corn

6 cents bu. - Sour discount on Milo & Corn

Test weights on both milo and corn will be averaged.

# Garden City Co-op, Inc.

"Moving Forward Together"

[www.gccoop.com](http://www.gccoop.com)



Main Office: 106 N. Sixth  
P O Box 838  
Garden City, KS 67846  
Fax: 620-275-8433  
[www.gccoop.com](http://www.gccoop.com)

Garden City Co-op Main Office  
Garden City Market Info  
Dighton Market Info

620-275-6161 or 800-794-9389  
620-275-9772  
620-397-6068

## Petroleum

Garden City Petroleum Office

620-276-8301 or 866-676-2440

## Crop Production

Lowe Crop Production  
Dighton Crop Production  
Western Ag Chemical  
Ransom Crop Production

620-277-2230 or 800-972-9842  
620-397-2437  
620-275-1079  
785-731-2883

## Elevators

Amy Elevator  
Alamota Elevator  
Arnold Elevator  
Charleston Elevator  
Deerfield Elevator  
Dighton Elevator/Office  
Friend Elevator  
Gano Elevator  
Garden City A Elevator  
Garden City B Elevator  
Hickok Elevator  
Lakin Elevator  
Lowe Elevator & Fertilizer  
Milepost Elevator  
Pierceville Elevator  
Ransom Elevator/Office  
Shields Elevator  
Tennis Elevator  
Ulysses Elevator/Office  
Utica Elevator/Office  
Wolf Elevator

620-397-2339  
620-397-5688  
785-731-2462  
620-335-5165  
620-426-7661  
620-397-5343 or 800-254-6983  
620-276-6692  
620-275-1222  
620-276-3366  
620-276-3118  
620-356-2233  
620-355-6341  
620-277-2230  
620-356-2460  
620-275-6480 or 620-335-5126  
785-731-2275  
620-397-5520  
620-276-7973  
620-356-1219 or 800-242-9754  
785-391-2336 or 785-391-2356  
620-426-8446

## Feedmills

Ransom Feedmill

785-731-2881

**Garden City Co-op, Inc.**

"Moving Forward Together"

## Sunflowers

We will be receiving Nu-Sun Sunflowers at the following elevators:  
Friend, Dighton, and Ulysses.

## Garden City Co-op, Inc. Petroleum Division

Be sure to give us a call for all your harvest fuel needs at 620-276-8301. We hope you have a safe and prosperous harvest.

## Grain Divisions

Don't forget to bring your copy of your grain tickets with you when you come in to make divisions. Please come in or call in as soon as possible after you are finished cutting so we can make sure your grain is in the proper accounts. This will speed up the process of getting your landlords grain into their accounts.

Western  
Cooperative  
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Garden City Coop – DIGHTON

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Dighton, KS 67839

620-397-5343

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**GARDEN CITY CO-OP, INC.  
2008 SUNFLOWER  
DISCOUNT SCHEDULE  
As of 9-1-2008**

**DISCOUNT SCHEDULE AT TIME OF SALE TO PREVAIL**

**\*\*\* SUBJECT TO CHANGE WITHOUT NOTICE\*\*\***

**SUNFLOWERS**

Nu-Sun Sunflower Discount Schedule

**Moisture Shrink Discount**

2% of contract price for each 1% over 10% to 12%

4% of contract price for each 1% over 12% - up

Moisture over 12.0% subject to rejection

**Test Weight Discount**

1% of contract price for each 0.5 lb. under 25.0

**Foreign Material Discount**

0.00% - 20.00% - 1% of gross weight for each 1.0%

10.0% and above - subject to rejection

**Damage** - Subject to market factors at time of sale.

**Oil Content Premium or Discount**

Subject to market factors at time of sale.

40% oil base - no premium or discount.

3 load composite sample.

Subject to official grade.

**Sunflowers must be sold by March 31st  
to make room for wheat harvest.**

**GARDEN CITY CO-OP, INC.  
2008 SOYBEAN  
DISCOUNT SCHEDULE  
As of 9-1-2008**

**DISCOUNT SCHEDULE AT TIME OF SALE  
TO PREVAIL**

**\*\*\* SUBJECT TO CHANGE WITHOUT  
NOTICE\*\*\***

**SOYBEANS**

**Moisture:** 13% Maximum

Test Load Shrink: For each tenth % over  
13.0% x .02% shrink

Example: 13.5% = 1.0% shrink

14.1% = 2.2% shrink

<u>Test Weight:</u>	<u>T.W.</u>	<u>Discount</u>
50 lb. minimum	54#	.005 bu.
	53#	.010 bu.
	52#	.015 bu.
	51#	.020 bu.

**Foreign Material:**

All foreign material over 1% expressed to  
nearest tenth of a percent will be deducted  
from gross weight.

**Other Factors:** Market Scale at time of sale.

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## **"PATRON ACCESS" NOW AVAILABLE**

on the Garden City Co-op's Website

[www.gccoop.com](http://www.gccoop.com)

Patron Access will give you access to the following information:

**Account Information:** (Accounts Receivable Balance and All Invoice Details)

**Proof of Yield:** (Information on All Grains Delivered)

**Grain Balances:** (Open Stored Grain, Grain Sold, and Contract Balances)

**Prepaid/Booking Contracts:** (Fertilizer, Chemical, and Fuel Cont. Balances)

**Volume Statements:** (Business Volume for Date Range Entered)

**Equity Balances:** (Listing of Your Equity Balances)

To request a Patron Access Account, simply click on the "Patron Access Login" link on the left side of our website, and then click on "New Account Request". Fill in the information requested and press "Apply for an Account". Your request will be e-mailed to us and you will receive an e-mail showing your request. When the account has been activated, you will receive another e-mail from us letting you know that the account has been activated and is ready for your use.

A new feature in Patron Access is a secure download area where we will have the ability to give a customer files to access or forms to fill out, so if you are in need of any information that we might be able to provide to you, let us know.

If you have any questions, please contact Jeff or Caleb at 620-275-6161.



## Ethanol Q & A

### **Q: What is E-10?**

**A:** E-10 Unleaded is gasoline with 10 percent ethanol. It can be used in any gas-powered car.

### **Q: Does E-10 make engines run hotter?**

**A: No.** The ethanol in E-10 Unleaded actually helps keep your engine cooler, since the ethanol in the fuel combusts at a lower temperature. In fact, many high-powered racing engines use pure alcohol for that very reason.

### **Q: Is E-10 bad for fuel injectors?**

**A: No.** Ethanol and E-10 Unleaded have never contributed to burning or fouling of port fuel injectors. Some components in gasoline, such as olefins, have been identified as causing deposits that can foul injectors. Because ethanol burns 100% and leaves no residue, it can't contribute to the formation of deposits. The ethanol in E-10 actually keeps fuel injectors cleaner--helping improve engine performance. It does not increase corrosion, nor will it harm any seals or valves.

### **Q: Does E-10 cause vapor lock?**

**A: No.** Vapor pressure specifications of gasoline continue to be lowered by state and federal statute, virtually eliminating the vapor lock problems that were reported in the past. The vapor pressure of gasoline is set by state law, and is lower in the spring and summer than in the fall and winter. Vapor lock usually occurs when a winter grade of gasoline formulated for cold weather starts is used under summer-like conditions. (Remember: 90% of E-10 Unleaded is gasoline, so the formulation of the base gasoline has a dramatic effect on performance.) Also, all major auto manufacturers now have in-tank fuel pumps which are not subject to vapor lock like the older in-line fuel pumps.

### **Q: Does E-10 plug fuel lines?**

**A: No.** Today occurrences of plugged fuel filters are virtually non-existent. The cleansing nature of E-10 can actually keep your fuel system cleaner and lead to improved performance. In the case of dirty fuel systems, contaminants and residues that have been deposited by previous gasoline fills can be loosened. That residue can get caught in the fuel filter. In older cars, especially those made prior to 1975, replacing the filter solves the problem, and once your fuel system is clean, your car's performance should improve as well.

### **Q: Does 10% ethanol reduce gas mileage?**

**A: No.** Many variables affect fuel economy, including seasons, the weather, the state of your car, road grade, tire pressure, and the use of air conditioners. Most drivers using E-10 see an increase or no difference in fuel economy.

### **Q: Why do some auto mechanics tell people not to use E-10?**

**A:** A mechanic who says not to use E-10 simply does not have correct information--particularly since every major automaker in the world approves the use of 10 percent ethanol fuel.

### **Q: Can E-10 be used in older cars?**

**A:** The formulation of gasoline has changed dramatically over the past few years without affecting the performance of older cars. Many older cars were designed to run on leaded gasoline, with the lead providing necessary octane for performance--and the lead oxides that were formed during combustion provided a cushion that reduced wear on non-case-hardened valve seats. When lead was phased out of gasoline, oil companies added chemicals to raise the octane rating--and other additives to replace the "lubrication" value of lead. The ethanol in E-10 raises octane in gasoline by three points using a natural, renewable additive that works well in older engines.

### **Q: Can I use E-10 in small engines?**

**A: YES!** E-10 is perfectly acceptable in lawn mowers, snowmobiles, and other small engines. Manufacturers of this equipment know that more than 40% of the gasoline sold across the U.S. contains oxygenates such as ethanol, so they've made certain that their engines perform on these clean-burning fuels. E-10 may be used anywhere that unleaded gas is used--from ATVs to chainsaws, from lawn mowers to personal watercraft. Virtually every small engine manufacturer approves the use of E-10 in its equipment.

### **Q: What is E-85 and Can I Use It?**

**A:** E-85 is the term for fuel blends of 85 percent ethanol and just 15 percent gasoline. E-85 fuel can be used in flexible fuel vehicles that are designed to use any combination of gas and ethanol up to 85 percent ethanol. Today there are over 6 million FFVs on the road made by several leading manufacturers. Visit [www.e85fuel.com](http://www.e85fuel.com) to see if you have an FFV and to find E-85 fueling locations.

*For more information on ethanol, visit the Kansas Ethanol Information website at:  
[www.ksgrains.com](http://www.ksgrains.com)*

## Business Evolution

Every business that is long-lived goes through a variety of phases. How well the business adapts to the current phase and prepares for the next one determines whether the business will thrive. Sometimes the reaction to the change required determines if the business even survives. The Garden City Co-op has a demonstrated history of determining when to take chances and when to pull in our horns: when to expand into new markets and when to refocus on the core. Many outside influences and internal competencies determine the correct strategy and timing for making these moves. The Board and Management of your Co-op have not always got it right in the last 89 years, but they have obviously won more than they have lost. That winning record gives us the financial strength and wonderful asset base to "Move Forward Together".

In this edition of the Western Farmer, you will find an article describing the sale of your retail petroleum assets to local businesspeople. This is an example of the restructuring that we feel is necessary. I will not drone on and on about the volatile markets and the emerging world wealth effect. Everyone reading this article is plenty aware that we are playing a new game. My job here is to describe to you as owners and customers where this company is going.

The Garden City Co-op is strong from an asset and financial statement perspective. We are closing out what will be a record year in earnings and patronage. You will be pleasantly surprised when you join us at your Annual Meeting where we can share our audited results. We have increased working capital by 3 times over recent years. This growth in liquidity allowed us to weather the volatile markets of last winter and spring. We have a tremendous long-term debt to asset ratio allowing us a plentiful reserve to grab opportunities or respond to a crisis.

We are not looking outside the circle of our members for opportunities to grow. We are not looking for non-agricultural ventures to invest in. These good grain markets have created a demand for our products and services. They have created a demand in some circumstances that have been beyond our industry's ability to respond. It is our commitment to meet your needs for a strong Co-op to take advantage of the opportunities that current agricultural markets are providing.



**John McClelland**  
**General Manager**

We need to accomplish all of this while preserving the Co-op. None of these promises and opportunities do you any good if we don't have the where-with-all to perform on the commitments we have made. There is an example of a Co-op in eastern Kansas right now that did not preserve the financial strength to meet their commitments. Their patrons are caught between performing on contracts that they are out of the money on and not being able to collect on the contracts that are good.

The Garden City Co-op will not get in that situation. You will be proud of the earnings and financial strength of your Co-op when the audit is complete. It will demonstrate real strength that you can take to the bank. Now that is preparing for "Moving Forward Together"!



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