

Western Farmer

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

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October/November 2006



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Moving Forward Together

The auditors from Lindburg & Vogel have once again completed their annual audit of the Garden City Co-op, Inc. Complete financial information will be presented at the Annual Meeting on Tuesday, November 28th, 2006 at 2:00 p.m. at the Plaza Hotel Ballroom.

Elections will be held to elect two Directors. Please plan to attend your Annual Meeting to hear and receive the official reports of your cooperative and to elect Directors.

GARDEN CITY CO-OP, INC.
ANNUAL MEETING
TUESDAY, NOVEMBER 28, 2006

2:00 p.m.

Plaza Hotel Ballroom
Garden City, Kansas

**THE GARDEN CITY CO-OP, INC.
NOMINATION COMMITTEE PRESENTS
SLATE OF CANDIDATES
NOVEMBER 28, 2006**

The Nominating Committee of the Garden City Co-op, Inc. will be presenting its Slate of Candidates for **two** positions upcoming for election at this year's Annual Meeting. Candidates include Jerry Bolding, Michael Deaver, and Randy Richmeier.

Randy Richmeier is currently serving his second three-year term and is up for re-election. Michael Deaver is currently serving his first three-year term and also up for re-election. Jerry Bolding is new to the election.

Following are brief Biographies on these farmers and their thoughts regarding our company.

The Board has appointed Bruce Howard as a new Associate Director. If you are interested or know someone who is interested in running for Board, please contact the Nominating Committee (Duane Drees, Andy Strasser, Steve Sterling, and Dwane Roth).



A Great Celebration
Come celebrate 87 years of "Moving Forward Together"
Door Prizes
Drawings for 5 Awards of Early Redemption up to \$1,000 in Co-op Stock
Drawings for 3 Handmade Quilts

BOARD CANDIDATES

JERRY BOLDING



Jerry farms 22 miles Northeast of Garden City in Finney County and into Southern Lane County. He raises dryland wheat and milo, most of which is no-till, and occasionally corn and sunflowers.

Jerry has a Bachelor of Science Degree in Business from Kansas State University. Jerry and his wife, Ronda, have 2 children - Brooke and Simon. Brooke and her husband, Trent, help out on the farm while she finishes her degree at Kansas State. Simon is a senior at GCHS and plans on attending Kansas State majoring in engineering.

Prior to farming, Jerry worked at Speed King Manufacturing in Dodge City as Cost Accountant, Programmer Analysis, and Manager. Jerry serves on the Kansas Sunflower Commission and during startup, he served as Secretary.

Jerry states, "Increasing changes in farming along with the merger with Farmers Co-op in Dighton, will present new and interesting challenges for the Garden City Co-op. Being a Board Member would bring opportunities to help the Garden City Co-op make sound decisions regarding intergrating producers with existing outlets for our commodities and new agriculture industries coming into our area."

MICHAEL DEAVER



Michael farms South of Garden City in the Plymell area. He raises wheat, corn, and soybeans.

Michael attended North Central Kansas Area Vo-Tech and received certificates in Production Agriculture and Diesel Mechanics. Michael and his wife, Carol, live South of Garden City with their children - Lauren 15 and Kyle 9.

Michael is a Finney County Farm Bureau Association Board Member, youth basketball coach, GCHS Sixth Man Club, and Orchestra parent.

Michael states, "I have enjoyed serving as a Director for the past three years. In that time, I have seen the Garden City Co-op grow and develop new partnerships in an effort to maintain the reliability and stability of the Co-op system. I believe these new areas of partnership will only enhance member equity and profitability. It is exciting to be a part of a company that puts the membership first when making long-term decisions that will positively impact the entire Southwest Kansas area. I continue to believe that the decisions made by the Board should reflect the needs of the membership while generating profit and stability for the company, which, in turn, helps each member as well. I think customer service is vital to the success of the Co-op and will provide my input regarding ongoing evaluation of the delivery of that service. The Garden City Co-op aspires to be an integral part of the communities in our trade area and the Board of Directors has the responsibility to explore and implement new directions that will increase member benefits despite agriculture's tough economic times. I would appreciate the opportunity to continue serving on the Board of the Garden City Co-op."

BOARD CANDIDATES

RANDY RICHMEIER



Randy is a native of Finney County and farms 17 miles Northwest of Garden City between Holcomb and Deerfield. His farm operation includes wheat, milo, corn and soybeans.

Randy attended Kansas State University and he graduated with a degree in Ag Economics. Randy and his wife, Jewel, live on the family farm. They have 3 children – Ryan 20, who attends Teen Challenge Ministry; Hannah 12, who is in the 7th grade at Holcomb Middle School; and Blake, who is 9 and in 4th grade at Holcomb Elementary. Randy keeps very busy with his farm and family activities. He is involved with his children's activities including coaching YMCA and Rec. sports. They are active members of Cornerstone Church.

Randy has served on the Garden City Co-op as an Associate Director, Assistant Secretary/Treasurer and is currently serving as Secretary/Treasurer of the Garden City Co-op.

Randy states, "Integrity is more than simple honesty. It is the key to success no matter how challenging the circumstances. Being able to connect with others and build trust so that we can finish well. Embracing the negative and developing a clear understanding of our talents so that we can prosper as a Co-op. I am encouraged with the workings of our Co-op and I value the opportunity to be part of the future direction of the Garden City Co-op."

THREE WHEAT QUILTS TO BE GIVEN AWAY AT ANNUAL MEETING

There will be three wheat quilts given away at the Garden City Coop Annual Meeting. The quilts were made by Betty Simmons of Holcomb and feature a detailed wheat scene. All voting members who attend the meeting are eligible to win so don't miss this opportunity to take home a beautiful hand made quilt!!!!



BRUCE HOWARD NEW ASSOCIATE DIRECTOR



Bruce farms North of Ulysses with his father, Gary Howard. They raise both irrigated and dryland wheat, milo, corn, and sunflowers.

Bruce and his wife, Kelly Rae, have 2 children - Jordan, age 9 and Justin, age 3. Bruce's parents and grandparents both farmed in Grant County.

Bruce serves on the Soil Conservation Board in Grant County and is a member of the Shelton Memorial Christian Church of Ulysses. He enjoys building things from scratch during the winter.

Bruce states, "I think it will be interesting to serve as a Board Member and am excited for the opportunity to learn more about a Co-op."

FALL HARVEST UPDATE

Ken Jameson, V.P. Grain Division

Fall harvest continues as this is being written and results have been mixed. The corn harvest suffered from too much heat at the wrong time, and a variety of insect problems this year. While there have been some good yields reported, the overall crop appears to be down about 20% from last year.

The milo harvest is just beginning to roll and while early yield results have been good, we are sure these numbers will drop as we move into those fields that suckered out after the late summer rains and didn't have enough time to fully mature before the killing freeze.

While yields are mixed and maybe disappointing this year, the grain prices are definitely looking good. For once, the wheat market was the leader in the up move as U.S. Hard Red Winter wheat stocks shrunk from the shorter than expected crop this past summer. Couple that with Australian and Argentina crops that are well below average and we now have world stocks at almost record low levels. These factors, plus commodity funds jumping on the band wagon, has pushed the wheat markets to levels we haven't seen since 1996.

Wheat started this move but it now appears corn has taken over as the lead engine as successive crop production estimates show a corn crop getting smaller. The latest private estimates show the corn crop at 10.808 billion bushels by FC Stone and 10.729 billion bushels by Informa. Historically, these are still big numbers; a 10.8 billion bushel crop would be the third largest ever produced, but this market is focused on next year's potential demand base.

The wild card to all the markets is the huge dollars apparently available to the commodity funds. In years past, there were only 2 or 3 funds that traded in the grain markets and they were fairly predictable in their trading patterns. They were famous for trading for 3 days straight then stepping out, whether they were buying or selling. Today, there are a multitude of new funds that are totally unpredictable. Fundamentals are not a major part of their trading strategy; they look at corn, in particular, as an energy trade. This mindset is something the grain trade has never seen before, and quite frankly, doesn't know what to do with it yet. Grain trading for decades has been tied ultimately to fundamentals with the occasional speculator blip thrown in. While today's markets are still reflecting fundamental factors, a new one, ethanol demand, has taken the forefront. The struggle today for many in the grain trade is the big demand pull, if all the ethanol plants are built, is two to three years out, but we're trading today as if it is here today.

We have started a fuel versus food war and it has provided producers with an opportunity to market their harvests at levels we have very seldom seen. Many of you have taken advantage of this move and we encourage you to pay close attention to these markets. We have multiple marketing options and while we caution you to be very conservative in marketing future crops in this environment, we also encourage you to do something. These funds can pull out just as fast as they get in and we have no way of knowing when that could happen.

Could corn go to \$4.00 or wheat to \$6.00; it's anybody's guess. They also could go to \$3.00; that's how volatile these markets are today. We are asking you to pay attention, talk to us often, and together we can set up the best marketing plan for you. This is your company; let us work for you.

'Moving Forward Together'

FOR SALE

Taking Sealed Bids on:
1963 Massey M-S 65 Tractor
Has mower, loader, and blade
Being sold As Is, Where Is
(No warranties expressed or implied)
Can be seen at the Gano Elevator

Send Sealed Bids to:

Garden City Co-op
Attn: Brent Merz
P O Box 838
Garden City, KS 67846
by December 5, 2006

GRAIN DIVISIONS

If you haven't been in yet to check your grain tickets or make divisions, please do so as soon as possible so we can make sure your grain is in the proper accounts. Thank you.



See Jayrene at the Dighton Office for
all your cell phone needs
620-397-5343



**Wishing You A
Happy Thanksgiving
And Thanking You
For A Great Year!**

STRIP TILL FERTILIZER GUIDELINES

Fred Fisher, *Crop Profit\$*

One of the biggest challenges with strip till systems is nitrogen fertilizer applications. Every year, we encounter numerous early season problems with corn production that relate back to the nitrogen applications made during the strip till operation. Rates of phosphorous and micronutrients that are being applied in these strip till applications probably do not impact the crop at all. We have seen problems on all soil types. In most cases, the crop emerges and looks fine until reaching about the 2-leaf growth stage. When problems exist, the radical root of these seedling corn plants burns off as the plants encounter high levels of salt and growth and development slows or stops until crown roots can become established or these high salt zones are distributed within the soil by irrigation water. This is a costly correction because many times these irrigation applications are being made at a time most growers would not be watering corn. In most cases, plant stands are not impacted and recovery eventually occurs but it is always concerning to see these kinds of stresses early in the life cycle of the corn plant. Yield losses are very difficult to estimate. Several factors influence the likelihood of this problem.

#1 – Nitrogen Application Rate and Timing – The higher the rate, the more likely the problem. We have seen tremendous differences within fields when wet conditions caused knife plugging and a row effect to the problem. In the fall, it is safe to put on the full nitrogen requirement for the corn crop but keep in mind we need winter moisture to help distribute these high salt fertilizer bands. If we don't get that moisture, be prepared to pre-water the ground with 2 to 3 inches of irrigation. Damage is a function of time and moisture and in most cases pre-watering will not be necessary. In the spring as we get within one or two months of planting, nitrogen rates should be reduced to no more than 120 lbs. with the strip till operation. As we get less than 30 days out from planting, rates should be reduced to about 80 lbs. of nitrogen. Strip till applications made within 2 weeks of planting should contain no more than 50 lbs. of nitrogen. I realize that anhydrous ammonia is the cheapest source of nitrogen but putting the full load on this close to planting will greatly increase the likelihood of crop injury. With these later applications, the balance of the nitrogen fertilizer will need to be applied through the pivot, broadcast prior to planting or side dressed with a coulters applicator.

#2 – Nitrogen Source – This is a little more difficult to pinpoint, but in general, it would be expected that liquid or dry sources of nitrogen would be safer in a strip till application than anhydrous ammonia. It has always been difficult for me to understand how we're seeing damage to the roots on a 2-leaf corn plant when the strip till application was made at 9 to 10 inches in depth. Where we have damage, it is obvious that these high salt layers are much shallower in the soil as the radical root on a corn plant in many cases is being damaged directly next to the corn seed at about the 2-inch depth. There must be movement up of these salt bands for this to occur. It is likely that some of these applications were made when soil conditions were too wet to properly seal the fertilizer and a portion of it is gassing off and moving higher in the soil profile before attaching. Logically, this problem would be less likely to occur when using urea or 32 percent nitrogen.



Healthy Plants

Damaged Plants

Western
Cooperative
Seed

WESTERN COOPERATIVE SEED OFFERS 0% INTEREST

Chris Irvin, *Seed Sales Manager*

If you are interested in financing, Garden City Co-op and Western Cooperative Seed have teamed up to offer their customers 0% interest. To be able to qualify for the 0% interest, the producer will need to be pre-approved and purchase over \$15,000 worth of Croplan Genetics, Dekalb, Asgrow, NK Brand or Mycogen products to qualify. This financing will then be due November 15-December 15, 2007. Finance options will be available this year from Monsanto's Farm Flex, Farm-Plan, and RABO Bank. Remember...WCS financing does not start until the seed is delivered to your farm!

Western Cooperative Seed will have their first Quantity and Prepay discount end December 1, 2006. This year, quantity discounts will be calculated by total seed dollars purchased. Prepay discounts will be the same as last year, 5% cash prepay by December 1st 2006, and the second deadline of 2.5% prepaid by February 1, 2007.

With corn prices a little higher, corn seed supply will be tight this year. I would highly recommend that everyone book their corn ASAP! It is only the first part of November, and I know that some of my highest yielding hybrids from 2006 are already sold out. This may also be the cause of exceptionally high performance of products in 2006 compared to other companies and therefore, the demand is high. Triple Stack corn (Roundup Ready/corn borer bt/rootworm bt) is almost available in every hybrid I have to offer from Croplan Genetics and Asgrow/Dekalb, and is in good supply. If anyone has any questions, please contact me so I can make the best recommendation for your fields.

Product Descriptions



| CORN HYBRID | GDJ TO BL | POSITIONING | Populations | CAUTIONS | Placements |
|------------------------------------|--------------------------------------|--------------------------------------|-----------------------|--|-----------------------------------|
| RM DAYS 115 | 2810 | Great late season health | 26-30,000 | Keep off salty and clay ground | Good on Continuous Corn |
| Croplan 751 TS (RR2/Bt) | IT'S KNOWN FOR Yield for maturity | Top-End yielder | | Yield is ear size and Nitrogen driven | Use in high yield environments |
| CORN HYBRID | GDJ TO BL | Tremendous flex | | Keep populations under 30,000 | Good disease tolerance and roots |
| RM DAYS 113 | 2750 | Handles wide range of soils | Populations 26-32,000 | CAUTIONS | Placements |
| Croplan 6992 RR/Bt (PL) | IT'S KNOWN FOR Yield/Defensive | Top-End yielder | | Do not overpopulate | Any ground |
| CORN HYBRID | GDJ TO BL | Excellent late season intactness | | Yield is ear size and Nitrogen driven | Will take the heat |
| RM DAYS 113 | 2720 | Excellent emergence | Populations 26-30,000 | CAUTIONS | Placements |
| Croplan 6831 TS (RR,RR/HX) | IT'S KNOWN FOR Yield for maturity | Top-End yielder | | Exercise caution on poorly drained soils | Use as grain or silage |
| CORN HYBRID | GDJ TO BL | Tremendous flex | | Has been numbered 731 HX/LL last year | Use in high yield environments |
| RM DAYS 112 | 2750 | Corn on Corn Acres | Populations 28-34,000 | CAUTIONS | Placements |
| Croplan 6818 TS (RR, RR/Bt) | IT'S KNOWN FOR Yield for maturity | Exceptional heat and drought toler. | | Keep populations up | Earlier version of 818 |
| CORN HYBRID | GDJ TO BL | Outstanding disease tolerance | | Can get Bt conversion in 691 Bt/LL | Keep off sugar sand |
| RM DAYS 112 | 2750 | Stable yield regardless of climate | Populations 28-32,000 | CAUTIONS | Great GLS and rust tolerance |
| Croplan 691 (RR2, BuLL, CL, CRW) | IT'S KNOWN FOR Defensive performance | Excellent standability | | Not available in stacked conversions | Placements |
| CORN HYBRID | GDJ TO BL | Yield under stress | | New and improved version is 6992 | Top yielder on average ground |
| RM DAYS 114 | 2820 | Excellent top-end yield potential | Populations 28-34,000 | VERSIONS OF TRAITS | Toughest hybrid in lineup |
| Dekalb 64-76 RR/YG+ Triple Stacked | IT'S KNOWN FOR Yield for maturity | Very good stalks and roots | | DKC 64-77 YG/PL | Gray leaf spot resistance |
| CORN HYBRID | GDJ TO BL | Very good test weight | | DKC 64-78 RRY/G | Placements |
| RM DAYS 111 | 2760 | Excellent yield for maturity | Populations 26-34,000 | VERSIONS OF TRAITS | On top wells and ground |
| Dekalb 61-66 RR/YG+ Triple Stacked | IT'S KNOWN FOR Yield for maturity | Excellent stalk quality | | DKC 61-68 RRY/GRW | Excels on good soil |
| CORN HYBRID | GDJ TO BL | Good resistance to Gray Leaf Spot | | DKC 61-72 RR | For the top-end producers |
| RM DAYS 101 | 2530 | Widely adapted | Populations 14-32,000 | VERSIONS OF TRAITS | Placements |
| Dekalb 51-39 RR/YG+ Triple Stacked | IT'S KNOWN FOR Yield for maturity | Excellent stalk quality & roots | | DKC 50-18 YG | Good canopy |
| CORN HYBRID | GDJ TO BL | Dryland to limited to full irrigated | | DKC 50-20 RRY/G | Good for corn on corn rotations |
| RM DAYS 109 | 2770 | Great canopy | Populations 26-34,000 | CAUTIONS | Great Canopy |
| Asgrow 674 RR/YG+ RR | IT'S KNOWN FOR Yield for maturity | Great disease package | | DKC 51-41 RRY/GRW | Placements |
| CORN HYBRID | GDJ TO BL | Available in any conversion | | Not available in RRY/G | Placements |
| RM DAYS 112 | 2750 | Widely adapted | Populations 28-33,000 | CAUTIONS | Will take the heat |
| Asgrow 752 RR, YG, RRY/G, RRY/G+ | IT'S KNOWN FOR Yield for maturity | Good drought tolerance | | Medium populations | Widely adapted |
| | | Good drydown and testweight | | Average disease package | Medium tall plant |
| | | | | Adjust populations to water | Placements |
| | | | | | Can handle the heat and drought |
| | | | | | Excellent emergence in cold soils |
| | | | | | Good canopy |

PETROLEUM UPDATE

Pete Maestas, Petroleum Sales

November/December may be a good time to look at contracting your spring and summer fuel needs. Please call for current pricing on all your fuel and oil needs. We are again offering the "Treat's On Us" Program. Here's how the program works:

* End users can earn one \$20 gift card for every 100 gallons of Cenex Superlube TMS or 518, Qwiklift HTB, Maxtron DEO and/or Maxtron THF+ purchased between November 15, 2006 and February 15, 2007.

* End users complete a gift card form, attach their receipt and mail it in no later than March 15, 2007.

* Customers can chose between four popular gift cards that will be sent directly to them.

THE TREAT'S ON US

WHEN YOU TREAT YOUR EQUIPMENT TO CENEX® LUBRICANTS.



RECEIVE A \$20 GIFT CARD
for every 100 gallons of Superlube TMS® or 518, Qwiklift® HTB®, Maxtron® DEO and/or Maxtron® THF+ you buy.

Buy now and don't pay until Spring 2007 at participating dealers.

HURRY! Purchases and deliveries must be made between November 15, 2006 and February 15, 2007!



OUR ENERGY COMES THROUGH®
www.cenex.com
Cenex® is a brand of CHS

CENEX® FREE \$20 GIFT CARD

Receive a \$20 Gift Card with every 100-gallon purchase of Superlube TMS or 518, Qwiklift HTB, Maxtron DEO and/or Maxtron THF+.

NAME _____

ADDRESS _____

CITY, STATE, ZIP _____

☐ YES ☐ NO Have you purchased Cenex® Lubricants in the last 24 months?

STORE NAME/LOCATION _____

Gallons Purchased _____ = 100 = _____ Gift Cards

Please send me the following \$20 Gift Card(s):

_____ Cenex® _____ Sears

_____ Cabela's® _____ Applebee's®

Mail completed form and receipt or bill of lading to:
Cenex® \$20 Gift Card Offer
345 Plato Boulevard East | St. Paul, MN 55107

Between November 15, 2006 and February 15, 2007, purchase and take delivery of 100 gallons of Cenex® Superlube TMS or 518, Qwiklift HTB, Maxtron DEO and/or Maxtron THF+ in any size packaging and receive a \$20 gift card. To receive your free \$20 gift card, fill in all the information above on this form, attach a copy of your sales receipt or bill of lading and mail to the address listed above. Products purchased or delivered after 2/15/07. Sales will not be honored. Void if sold, exchanged or transferred. Void if copied. Void where prohibited, restricted or regulated. Good only in the USA. Forms must be received by March 15, 2007 to qualify. Allow 6-8 weeks for delivery.



Garden City Co-op, Inc.
P O Box 838
Garden City, KS 67846
620-276-8301



For **ultra performance** and **ultra-low sulfur**, choose **Cenex®Roadmaster XL®**.

The move to ultra-low sulfur diesel (ULSD) was mandated by the Clean Air Act.

- Starting with 2007 models, engines in all new over-the-road diesel vehicles must meet new federal emission standards requiring lower sulfur fuel.
- Sulfur content is being reduced 97% - from 500 ppm down to 15 ppm.
- Eventually refineries will convert completely and ULSD will be the only diesel available.
- In the meantime, decals at the diesel pumps will tell you whether fuel is ultra-low sulfur (15 ppm maximum) or simply low sulfur (500 ppm maximum) – ultra-low sulfur diesel is **required** if you're driving a 2007 diesel rig, and **recommended** for all other diesel vehicles.

The newer fuels are dramatically better for the environment.

- They're designed to reduce ozone depletion, smog and acid rain.
- An added bonus is most ULSD's have higher cetane, providing improved ignition.

You can rely on Cenex® Roadmaster XL® for premium performance.

- Contains a lubricity enhancer, which is critical because lower lubricity is a known drawback of decreased sulfur content (directly affecting fuel pumps, fuel injectors and wear and tear).
- Consistently beats industry specifications on wear-scar tests (indicators of damage caused by low lubricity).
- Provides 10-15% better lubricity performance than #2 diesel.
- Quality-balanced additive package also includes detergents (critical for preventing potential problems associated with ULSD biodiesel blends), demulsifiers, corrosion inhibitors and stabilizers for peak engine performance and protection.

ANOTHER SUCCESSFUL YEAR

Cont. From Page 10

receiving. After the elevators close down at night, the office grain crew must update and balance records so your records are ready when you check your tickets and make your splits.

The crunch time in fertilizer and chemical application brings long hours and much stress. Many times, that is compounded when the weather or the winds don't cooperate. Seed deliveries all seem to be done the same day. The station and the tire truck may be quiet until you fire up and then look out. More of your equipment running means more diesel and all the irrigation motors tend to start in the same week. Stories of this kind of dedication are apparent throughout this company in every division.

The dedication to get the job done mixed with the expertise to give advice and get it done correctly is a core value here. I would love to take some credit for that, but the fact of the matter is, that is the type of people that work here.

In a planning session a couple of years ago, a Board Member was uncomfortable with a mission statement that stated the Co-op was committed to its employees. He said, "I don't think of these people as employees. They are my friends and they are a crucial part of my success. I think of them as co-workers and a part of my operation." The word employee was changed to co-worker and everyone was pleased. The employee group was gratified that a member/owner/customer thought of them in those terms.

As we close another successful year and prepare for our Annual Meeting, I ask that you consider the people that protect your investment and make it grow and prosper. As owners of the Garden City Co-op, you have much to be thankful for. The most appreciation should be focused on the people that serve you everyday. They have done a phenomenal job.

Let the Garden City Co-op "co-worker" team know you appreciate their efforts. I know we all appreciate working for you. I bet Mr. Hopkins would agree with that also.

THE GARDEN CITY CO-OP "Moving Forward Together"

OUR CORE VALUES

1. Trustworthy
2. Stable & Dependable
3. Innovative

Moving Forward Together With Our Members:

To provide the highest quality services, information, and products to help make our members successful.

Moving Forward Together with Our Coworkers:

To provide a safe, encouraging, challenging environment that will help our coworkers be successful.

Moving Forward Together with Our Communities:

Our commitment to our hometowns leads us to support community efforts to improve the local quality of life.

GARDEN CITY CO-OP OFFICERS & DIRECTORS 2005 - 2006

| | |
|-------------------|---------------------|
| Boyd Lear - | Board Chairman |
| Tom Mulville - | Vice Chairman |
| Randy Richmeier | Secretary/Treasurer |
| Kendall Clark- | Ass. Sec./Treasurer |
| Michael Deaver- | Director |
| Tim Miller - | Director |
| Steven Krehbiel - | Director |
| Bill Maughlin - | Assoc. Director |
| Rick Horton - | Assoc. Director |
| Todd Graham - | Assoc. Director |

GARDEN CITY CO-OP STAFF MEMBERS

John McClelland
General Manager

Brent Merz
C.F.O.

Ken Jameson
V.P. Grain

Barry Brant
V.P. Crop Production

Rod Petty
V.P. Petroleum

Garden City Co-op, Inc.
Annual Meeting
November 28, 2006
2:00 p.m.
Plaza Hotel Ballroom
Garden City, Kansas

MARKET HOTLINE

Call (620) 275-9772 (G.C.)
Call (620) 397-6068
(Dighton)

FOR DAILY GRAIN BIDS

SEE OUR WEBSITE AT:
www.gccoop.com

STILL 'MOVING FORWARD' WITH ANOTHER SUCCESSFUL YEAR

The Garden City Co-op has an amazing record of positive financial earnings. The Co-op was formed in 1919 and has been profitable every year except 2002 and 2003. I don't know of another company that has posted an 85-2 record. The Co-op was even profitable in the midst of the depression and the dust bowl. In 1934, your Co-op made \$234. I would love to go back in time and visit with W.G. Hopkins, the Garden City Co-op Manager from 1929 to 1938. Just a guess, but I bet that Mr. Hopkins was prouder of that black number than any of the other 12 managers in the 87 year history. He should be proud.

This record of profitability for Garden City Co-op has resulted in the total earnings for the company since inception being \$50,729,301. At year end 2006, your equity in your Co-op was \$21,606,993. That means that the Garden City Co-op has paid out almost \$30 million in earnings. That is \$30 million returned to area producers and retained in the community. The money wasn't paid to non-local non-agricultural investors in far away places. Imagine the number if that earnings stream was adjusted for 87 years of inflation.

The results are in and 2006 was another very successful year for your co-operative. In fact, it was a record year financially. Some of the success has been due to the second best crops on record in 2005 and a dramatically growing non-member petroleum business. We have been fortunate. To define this recent success as the result of outside circumstances would be to miss the whole point though. It would also cause one to worry about the ability of the Co-op to persevere if outside circumstances turned against us. That can't be the case as we have a demonstrated ability to weather those unfortunate challenges.

So what is the difference? How did we make money in 1934 and through subsequent droughts and hardships? What has been our edge that carried us profitably against a fiercely competitive market?

I think Mr. Hopkins and I could have agreed it is the quality of the employees. Employees that provide technical expertise to help you to be more productive and successful make the difference. Employees that provide superior customer service and forge long lasting committed relationships with you provide the edge.

At every annual co-operative meeting I have ever attended for any Co-op, the manager always recognized the employees, made mention of their dedication



John McClelland
General Manager

and commended their service. I will do the same on November 28th at our 87th Annual Meeting. I fear that repetition has caused the message to lose some of its luster. Maybe we managers have not made an emotional enough case for how important your co-operative employees have been. I pledge to try not to let that happen. I pledge to explain what a central role this team plays and how their efforts have led to your co-operative's success. It is certainly not sufficient to have them stand a few brief moments for a short round of applause.

Every fall harvest, we have employees working around the clock to keep dryers running. They work long into the night during every harvest to make sure the equipment is ready the next day when your trucks show up. When the harvest is big, we move grain out ASAP so we can keep

Cont. Page 9



P.O. Box 838
106 N. 6th St.
Garden City, KS 67846
(620)275-6161

PRESORTED
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GARDEN CITY, KS
PERMIT NO. 102