



Western Farmer

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

FEATURES

July - December 2009

Western Farmer

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HOLIDAY HOURS

**All Garden City Co-op Locations
will be closed:**

Thursday, December 24th at noon

Friday, December 25th

Thursday, December 31st at noon

Friday, January 1st



90th ANNUAL MEETING

The Garden City Co-op, Inc. held its 90th Annual Meeting on Tuesday, December 1, 2009, at the Clarion Inn in Garden City, Ks. There were 100 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 \$284,086,652.29; Gross Margins \$12,520,207.99; Gross Income from Local Operations \$20,434,102.11; Total Operating Expenses \$19,283,500.08; Other Savings \$9,686,684.44; Net Savings \$8,777,849.95, Total Assets \$75,600,239.21; Total Current Liabilities \$20,052,379.70; Total Long-Term Liabilities \$10,355,184.64; Total Member's Equity \$45,192,674.87; Retained Earnings \$20,634,768.68; and Patronage Dividends \$4,746,229.44.

Boyd Lear, Board Chairman, gave the Directors Report. In reflecting on the past year, Boyd told the group they were refocusing on the balance sheet, grain storage and equity retirement. He told of the involvement in the support provided to the Rock Springs 4-H Camp and the naming of the living area for the Herb Clutter Family Room. He also reviewed the 2009 Planning Session held in Colorado Springs this year.

John McClelland, General Manager, then gave the Management Report.

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90th ANNUAL MEETING (cont.)

Cont. From Page 1

John congratulated the Co-op for 90 years of success. He told the audience about the additional storage at WindRiver Grain, along with the two 1 million bushel bunker systems we put up at Lowe Elevator. He announced that we will be adding concrete storage at Gano and Deerfield which is projected to be finished by fall harvest 2010. He spoke of the strides in Petroleum and Crop Production and the continued success of the Grain Division. He also spoke of the Transportation Division and its growth and success. He thanked the membership for their continued support of the cooperative system and specifically of the Garden City Co-op.

Jon Nuttle spoke on his experience as an Associate Board Member for the past two years.

Dwane Roth, Chairman of the Nominating Committee, was called upon to handle the Board elections. Dwane reported that the Nominating Committee consisted of Bill Maughlin, Bruce Howard, and himself. He announced that the candidates for the two Director positions were Mike Deaver, Randy Richmeier and Jon Nuttle. There were no nominations from the floor. It was voted that Randy Richmeier and Mike Deaver be re-elected as Directors.

John recognized the Kansas Cooperative Hall of Fame Members from the Garden City Co-op. Harley Foulks, past General Manager of the GC Co-op, spoke about his admission into the Kansas Cooperative Hall of Fame. He thanked the Board and all of the employees who worked with and for him during his time as General Manager.

Garden City Co-op employees who received service pins for years of service to the Co-op included: Henry Miller, Rochelle Mann and Federico Barron - 5 years; George Pittman, Michael Mings and Holly Cowan - 10 years; Robert Oropeza and Toby Wilson - 15 years; Alberto Barron and Howard Cartmill - 20 years; and Bentz Lewis - 30 years.

A question and answer session was then opened.

One handmade quilt and two prints were given as door prizes to Marlene Clark and Wanda Pinkston. Early redemptions of stock up to \$1,000 were given to Robert Widows, Pat Ohmes, Cedric Hands, Walter Hubbard and Lois Crevling.

Boyd Lear adjourned the meeting for refreshments.

ITEMS FOR SALE

1999 Ford F-250 3/4T 4x4 Pickup
222,473 Miles

2005 GMC 2500 3/4T Pickup
142,735 Miles

2002 Ford F-150 1/2T Pickup
175,238 Miles

2003 Dodge 1/2T 4x4 Pickup
137,917 Miles

1991 Ford F-150 1/2T Pickup
112,267 Miles

2000 Bit Tex Flatbed Trailer

We reserve the right to reject any and all bids. For more information, or to see the items for sale, call Brent Merz at the Main Office at 620-275-6161.

Items at Shields

House to be moved

Barn to be moved

(90 days to move house and barn)

500 gallon propane tank

460 gallon propane tank

Propane powered generator
(Located in garage)

Sealed bids will be taken until January 15th, 2010. Bids can be delivered or mailed to the Main Office.

Mail to: Garden City Co-op, Inc.
Attn: Brent Merz
P.O. Box 838
Garden City, KS 67846

SAFETY DIVISION

Kirby Bradley, Safety Director

I believe that this is the first contribution to the Western Farmer dealing specifically with Safety and the Safety Program at the Garden City Co-op. I intend to make Safety a part of every Western Farmer moving forward and will try and share timely and pertinent topics in the Western Farmer. Unfortunately, this first article comes after a fatal accident in the Garden City Co-op resulting in putting safety "front and center".

Although we can never bring our colleague back, what we can do is review our Safety Program from top to bottom and determine if we have holes in any facet of our program, whether it means reviewing all Safety Policies and regulatory compliance issues, updating unsafe equipment or facilities, training, or even just "talking the talk" amongst our peers. We intend to do all of these steps and to do that, we will recruit our Safety Committee at the Garden City Co-op to help in that process. We would encourage anyone and everyone - employee, Board Member, or patron - to feel free to contact any Committee member with any safety issues or concerns as well as any suggestions on how to improve the safety environment and culture at the Garden City Co-op.

The Safety Committee was created to offer a forum for this kind of input and the only way the Committee can do what it is supposed to do is from interaction with other people involved with the Co-op. If you have been a part of or have seen an accident or a "near miss" (an accident that almost happened but didn't), please share it with a Committee member so it can be shared with everyone else. Maybe we can determine what the cause was and how to prevent it from happening again. Who knows, it might prevent an accident or possibly even save someone's life. If you would like to contact a committee member, the current Safety Committee members are: Jeremy Kells - Deerfield (Chairman); Juan Barron - Milepost; Joe Varela - Wolf; Tim Adams - Lowe; Dave Frazer - Petroleum; Peggy Munoz - Main Office; Jan Cornett - Western Transport; Paige Schultz - Dighton Office (Secretary); Chris Wagner - Utica; Caroline Duvall - Adviser; and Kirby Bradley - Adviser and Safety Director. Again, please feel free to contact any one or more of them with your Safety concerns or ideas. BE SAFE out there!

GRAIN DIVISION NEWS

Ken Jameson, V.P. Grain Division

We want to thank everyone that delivered their hard earned bushels to us the past year. We are also excited to be able to pay those who supported us with a patronage refund of 21.31¢ cwt. on grain sold and 27.32% of storage income collected this past year, 30% to be paid in cash. What other businesses that you deal with will share their profits with you?

2009 was a record breaker in terms of bushels handled through your elevators. We handled the second largest wheat crop in our history and the corn and milo crops were record breakers. The corn crop broke the old record by over 2 million bushels and the milo crop broke the old record by 1.7 million bushels. In all, we handled 35.9 million bushels of grain in 2009. Obviously, when you handle this kind of volume, there are bound to be some bumps in the road and we experienced a few, but thanks to your patience and dedicated elevator employees, we were able to get the crop under cover. We began dumping corn on September 3rd and as of December 4th, we are still receiving some corn and milo.

This past year, we had to ship a lot of grain to terminal storage in order to accommodate the large harvests. Virtually all of the companies we shipped to are charging us four cents a bushel a month for that storage. With four cents a bushel being the new norm, we will be adjusting our storage rate to four cents a bushel on March 1, 2010 to match the pass through.

We are looking forward to 2010 with plans to add additional storage space at our Gano and Deerfield locations. If all goes as planned, this will be in place for the next fall harvest. Plans for the future include more storage for our Shields, Wolf and Hickok locations but the time table for those is still not determined. Future profitability will obviously play a role in that time table.

All of us in the Grain Division want to thank you for this past year's business and look forward to earning your business next year. We also want to wish you and your families a very Merry Christmas and a Happy New Year.



Happy Holidays!

*The Board of Directors and employees of the
Garden City Co-op
wish you a Merry Christmas and a Happy New Year!*

GRAIN DEFERRED PAYMENTS FOR JANUARY 2010

For those of you that have grain contracts payable January 2, 2010, they will be put in the mail on December 31st unless you contact us to hold your checks for pick up at the Main Office.

If you have not returned a signed copy of your contract, please do so in order for us to mail your check to you on time.

If you need to sell grain before the end of the year for tax purposes, please do so by 12:00 p.m. on December 31st. All grain offices will be closing at 12:00 on Thursday, December 31st and will re-open Monday, January 4th, 2010.

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

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GARDEN CITY CO-OP, INC. MARKET TEXT MESSAGING SERVICE

Jeff Boyd - IT Manager

The Garden City Co-op is now offering a free Text Messaging service to you. If you sign up for this service, currently, you will receive 3 text messages a day giving you the Kansas City wheat, Chicago corn, and Chicago soybean nearby futures and the N/C contract month futures for the open, mid-day, and close. You will receive these at approximately 9:45 a.m., 11:45 a.m., and 1:45 p.m.

We have the ability to expand these options so that you may pick what you wish to receive.

To be set up on this service, all we need from you is your name, phone #, email address and phone carrier. We are limiting this to one phone per decision maker because of the cost to us.

Please be aware of your text messaging plan with your phone carrier. If you do not currently have a text messaging plan, you will be charged by your phone carrier for each individual text message.

If you are interested in our 'Market Text Messaging Service', please call Jeff or Caleb at the Garden City Office (620) 275-6161, Jayrene at the Dighton Office (620) 397-5343, or Holly at the Ulysses Office (620) 356-1219. You will be set up immediately.

EMAIL YOUR DIRECTOR

To help make communication to our Board of Directors easier, we have established an email address to contact the Board with. You can contact them with any concerns, complaints, suggestions, or compliments. The Board will review these correspondences at each monthly Board Meeting. So please expect a response after each meeting.

The email address to contact the board is board@gccoop.com. Also keep an eye out for a simple form on our website in the future to also contact our Board Members. We appreciate all of your input to improving your Co-op.

COMMITMENT STATEMENT

"Moving Forward Together"

WESTERN TRANSPORT

Derek Bownes, Manager

Western Transport has had a busy fall season even though we had a slow start due to the erratic weather and the long, drawn out harvest. We had an in-depth, two and a half day KCC Audit in the middle of August, in which we received the highest rating attainable. Two new full-time employees have joined Western Transport. Tirra Carter, who is helping with the billing, and a new truck driver, Chris Barber. We also hired a part-time driver, Baldo Marquez, Jr., who will be filling in on weekends. Our truck lot is complete out at Lowe with electrical plug-ins and a concrete landing strip so now all of our trucks and trailers have a place to call home.

Western Transport recently leased on 4 Owner Operators, Manuel Banda, two from E & B LLC, and Bobby Becker, 6 NH3 trailers, and 4 liquid trailers. They were all previously owned or leased to United Suppliers. During the lull in this area due to weather, we sent 7 trucks to Iowa and Minnesota beginning the first week of November to the first week of December hauling Anhydrous (NH3) for CHS and Koch. Our help with these loads was very much appreciated and we have been encouraged by the local people to return next year. We kept the rest of our drivers busy during that period by moving corn. We moved 937,000 bushels of corn from Garden City Co-op elevators to the corn bunker out at Lowe.

We are looking forward to a steady Winter with moving grain, fuel, and liquid fertilizer and then in the Spring, picking up the pace with anhydrous runs again.

We wish you all a very Merry Christmas and a safe and Happy New Year!

PETROLEUM NEWS

Pete Maestas, Petroleum Manager

It's been a long fall harvest, but the crops have finally made it out of the fields. With winter here, it's time to be sure your fuel tanks are ready for the cold weather. Make sure your pumps and equipment are ready by changing your filters. A dirty filter will make it very difficult for fuel to flow in freezing temperatures. Along with changing filters, it's also a good idea to treat diesel with a cold weather winter additive. This can help lower the cloud and our pour points of fuel and make it easier for your equipment to start. This also helps prevent the fuel system from gelling during operation. Between changing filters and having diesel treated, it minimizes problems associated with cold weather. We have been watching some of the contract pricing for next spring and summer, transport and/or bobtail deliveries. If anyone has any questions on contracting, please give us a call at the office.

Take advantage of the best warranty program available. The Cenex Total Protection Plan is available for both new and used equipment. New equipment warranty offers coverage up to 10 years or 10,000 hours. Used equipment warranty offers coverage up to 8 years or 8,000 hours. For more information on this program, stop by our office or give us a call.

Cenex is once again making an offer that's hard to beat. Many of you are familiar with the "Treat's on Us" program they have offered the last few years and now they are rewarding end users with the "Hard Working Bonus". Earn a \$75.00 gift card for every 100 gallons of Superlube TMS 15w40, Maxtron 15w40, Qwiklift HTB, and Maxtron THF. This special offer began on November 1, 2009 and will continue through January 31, 2010. This is an excellent opportunity to fill your bulk tanks before spring and receive your gift cards.

Many of you have probably noticed the four wheeler parked outside our office. You are automatically entered every time you purchase

Cenex lubricants. The drawing will be held on September 1, 2010. This gives you a chance to get your name entered many times. The four wheeler is a 2010 Polaris 550 XP EPS. This is a top of the line work hard. Stop by our office located at Sixth and Fulton to get registered today.

We appreciate your business this last year and look forward to serving you in 2010. If you have any questions or concerns on fuel or lubricants, please give us a call at the office (620) 276-8301 or Pete's cell phone (620) 271-7622 or Brent's cell phone (620) 272-7296. The Garden City Co-op Petroleum Division would like to wish you a Merry Christmas and a Blessed New Year.



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, 2009 - Jan 31, 2010.

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



OUR ENERGY COMES THROUGH®

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For more information, visit www.cenex.com

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CROP PRODUCTION UPDATE

Tim Giesick, V.P. Crop Production

Harvest is finally winding down and customers are starting to fertilize for the 2010 crop. The fall NH₃ run will be determined by the weather. Crop Production has purchased several pieces of new equipment to better help serve our customers. This includes 10 pak-horses, 10 liquid nurse tanks, a 35 foot coulter bar, 4 NH₃ double tank frames, a 24 ton dry fertilizer trailer and a new seed wheat auger. We are committed to continually updating our equipment as new technology demands.

We continue to add employees to keep up with our customers' increasing needs. We recently added a new liquid and dry rig driver to our staff, Brad Rehm joined our staff at Lowe in November, and Brad comes to us with several years of dry fertilizer, liquid fertilizer and chemical application experience.

We are completing construction on the fertilizer tank that was damaged in last summer's storms. The new tank will have 400 ton more capacity. We continue to see an upward movement in fertilizer prices. They seem to be following the corn price. There are several scenarios that could happen. 1. If corn prices start falling off, fertilizer will most likely follow as well. 2. If the Fall NH₃ run in the Corn Belt doesn't materialize, most likely, liquid fertilizer prices should remain strong thru the Spring.

In the near future, our sales staff will be contacting our customers with information on chemical programs and pricing.

Lowe Sales Staff

Ryan Kennedy 620-290-3512

Kyle Korf 620-290-4821

Tod Depperschmidt 620-640-8151

Dighton Sales Staff

Brooks Wick 620-640-3726

Howard Cartmill 620-397-3536

Feel free to call any one of our sales staff for your Crop Production needs. We here at the Garden City Co-op would like to take this opportunity to thank each and every one of you for a very successful 2009 and look forward to an even bigger 2010. We hope you have a safe and happy holiday season and look forward to serving you in 2010.

SEED SALES

Tod Depperschmidt, Seed Sales Manager

I would again like to start by thanking all the Garden City Co-op patrons that have taken advantage of our early season discounts. Booking seed early allows us at the Garden City Co-op to provide our producers with best technology and genetics in the industry. It also gives us the opportunity to help producers control input costs. There is still a wide variety of seed discounts available. Garden City Co-op still has prepay and financing options to fit your operation.

The seed industry is moving faster than ever. New biotech traits in combination with new germ plasma are being launched at a rapid pace. Terms such as Genuity, SmartStax, VT2 Pro, VT3 Pro, Avicta, GT3000, RR2 yield and the list goes on. All these new traits along with a long list of hybrid numbers, it must seem confusing. The sales staff at the Garden City Co-op can help. We dedicate ourselves to put the best hybrid at the right population with the best fertility and herbicide recommendations there is to offer. We have great confidence in the products we have to offer. Not only are we striving to meet yield expectations, but we also take pride in offering products with exceptional dry down and plant health just to name a few. The combination of yield and one to three points drier can be a huge savings when figuring harvest time saved and the cost of seed.

Due to time constraints with the fall harvest we failed to have an early season booking luncheon like we have done in the past. If any body has questions concerning discounts available or hybrid selection, do not hesitate to contact any of our sales staff at your local crop production office or myself. We will continue to make appointments to take care of those challenging acres. From all of us at the Garden City Co-op, we wish you a Merry Christmas and a prosperous New Year.



2009 Milo Groundpiles - WindRiver Grain



1.94 Million Bushels of the 2.4 Million Bushels of Milo on the ground at WindRiver belongs to the Garden City Co-op. We also have 662,000 Bushels of Milo on the ground at Dighton and 937,000 of Corn in a bunker at Lowe.

LET US KNOW

We had a celebration of our cooperative's glorious 90 years at the Annual Meeting held on December 1st. It was exciting to announce that we have a strong financial statement and are able to begin some new grain construction and restart our equity retirement program.

This celebration was made an even bigger deal by coming right after the extremely large fall crop. It was a record by a long way. We continue to try to make changes to better serve the member-owners by focusing on your needs as specifically as we can.

The first example of working for the member is the sale of three facilities to a neighboring Co-op. The facilities in Ransom, Arnold and Utica have been great grain locations for us since their drought broke a couple years ago. The grain from that area all flows into the I-70 market to train loaders, ethanol plants and terminal storage. The rest of our grain flows to WindRiver, ethanol plants and feedlots along Highway 50. The locations at Ransom and Utica also had feedmills and hardware. Those are businesses that we don't have the volume to be successful in. We were faced with the tough decision of shutting them down or continuing to subsidize them. We were also burdened with a grain system that was not the beneficiary of the efficiency of large volume in a market.

As we evaluated that market, we realized that there was a Co-op much better positioned to serve the area. We entered into discussion with Frontier Ag (Goodland, Oakley and Quinter) to see if they could bring the efficiency of their significant grain volume in that market along with their feed and hardware. They are successful in those businesses because they have a significant number of cows and growing cattle in their market. After careful study, both sets of boards agreed that it was a better fit and a win for the members in Ness County and both Co-ops. We are expecting to close on that transaction on December 11th, so by the time you receive this, the sale may be completed.

We also try to hear your comments throughout the year. This past year, we were contacted by a member that was concerned about some of our properties appearance. We invited him into the board room so he could explain his concerns directly to his neighbors that serve his co-op as directors. After his discussion, we are working to address all of his concerns.

We always have a question and answer period at the Annual Meeting. We have difficulty getting people to ask questions as it is a little intimidating to address a large group. We did get a nice comment this year though. In the



John McClelland
General Manager

future, we will send out question forms with the annual meeting notice so that you can ask a question without having to stand before the group.

We have introduced a new feature on our website call "Email your Director". You can click on the link and it will allow you to send an email message directly and confidentially to the Board for their review at the next meeting. No employees have access to the site so you can be as specific as you want without fear of offending anyone.

For 90 years, we have been open for business and want to hear how we can do a better job for you in the future. I am proud to serve a Co-op that tries to listen and then takes fast action to address concerns or pass on atta-boys. Give us a call, write an email, write a letter. We want to hear from you.



P.O. Box 838
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