

Farmers Cooperative

Cooperative News



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DECEMBER 2015

Investing In Our Owners' Success!

NEW ASSETS!

BRINGING BACK VALUE TO OUR OWNERS!

Ron Velder, CEO

The new assets built by Farmers Cooperative over the past few years continue to bring back value to our members. The strong balance sheet continues to let us invest in all of our core values of business like grain, agronomy, energy and feed. As agriculture production changes, Farmers Cooperative will need to evolve with additional services, technologies and new products as well as building assets to use now and in the next generation. The challenge will remain the same to balance significant investments in the company's future, return the direct cash back to our patrons and remain committed to maintaining a solid balance sheet.

Your Cooperative has and will return over \$7,500,000 in cash through revolvment, age 65 and estates, plus \$4,573,000 in cash from last year's business. Another \$4,573,000 will be deferred to our members for future payout. The 2015 cash returned this year is coming from fiscal year September 1, 2014 to August 31, 2015. Total sales this past year were \$797 million with local savings of \$18,292,000.

Adding regional income of \$6,630,000 and deducting \$2,742,000 for income taxes leaves a net savings of \$22,180,000. You will hear more about your financials at the annual meeting which will be in January 2016. Information will be sent out on the dates soon.

I want to thank all of Farmers Cooperative's employees who helped in making this another successful year. The commitment of working long hours, making good decisions and providing services was at a high level. Also, thanks to our Board of Directors in providing leadership, working through growth and continuing to improve all locations with new assets.

Along with thanking them, I would like to also thank those of you who continue to support your cooperative. We understand that you have options today and we respect that, but we want to invest in relationships that will last for many years and not just a price for today. Together we will continue to build Farmers Cooperative for today and for the future for your sons and daughters.



Ron Velder



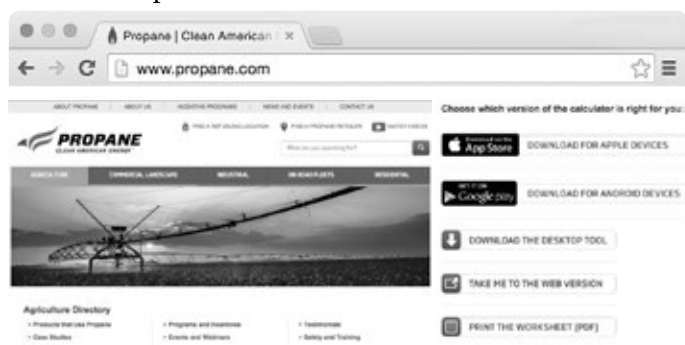
Have a great Holiday Season and remember to always be safe at what you do.

Who Wants to Save Over \$5,000 a year, per Well?

By Roger Kreifels
LP Operations & Compliance

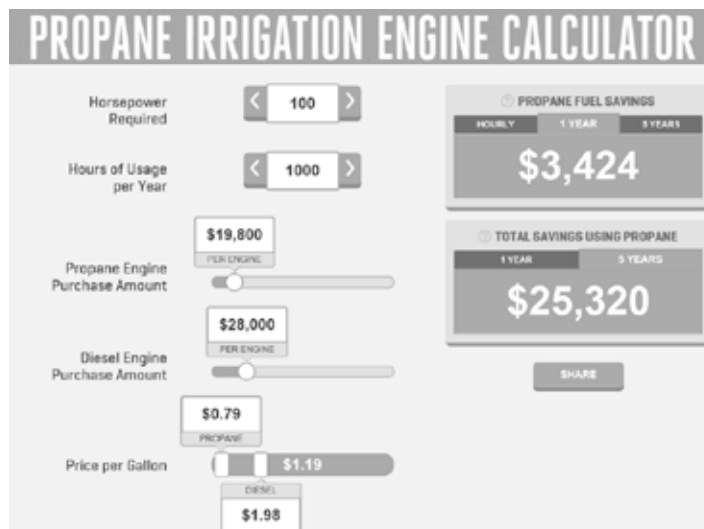
I've written about this before; but it's such a great deal, I feel like I need to remind everyone again not only about the cost savings of using propane over diesel, but also about the incentives available to you when purchasing a new propane powered irrigation motor. The National Propane Education & Research Council (PERC) is offering you a \$400.00 per liter incentive and the Nebraska Propane Education & Research Council (NePERC) is offering a \$750.00 flat incentive regardless of the engine size when purchasing a new propane irrigation motor during the 2016 year. If you irrigate, you need to take a few minutes and:

Go to Propane.com



Click on the "Agriculture" tab, then the "Calculator" tab. Once there, choose the version that best suits the device you are using. For me it's the "Take me to web version."

For the purpose of this article I called an irrigation motor dealer to get some average numbers to use in the example below. I used a 100 hp motor that ran 1,000 hours in a season. He then gave me the list price for both motors based on our summer of 2016 100 % prepay price of \$0.79 per gallon for propane, and our 100% prepay price of \$1.98 for Ruby Fieldmaster.



As you can see, even if the cost of the motors were the same, the one-year savings on the fuel alone is \$3,424.00. Factor in the difference in upfront costs and the total savings over 5 years is \$25,320.00. Add in the incentives being offered which in this case would be a \$3,200.00 from PERC for an 8.0 liter motor and an additional \$750.00 from NePERC and you have a grand total savings over 5 years of \$29,270.00, versus buying a new diesel motor. These savings represent one well. Obviously these numbers are only accurate if all the numbers remain the same all five years, but who's to say the cost savings between propane and diesel wouldn't be even higher as it has been in some of the past years. Regardless of how the numbers might change, it's well worth your time to look to propane to help you keep some of that hard-earned money in your pocket. Don't forget this program is offered nationally and there are a limited amount of dollars available on a first come, first served basis so don't delay!!!

*Call Lynne Schuller at 402-475-3996
to start saving money today!!*

The Market, Unpredictable?

By Doug Lewis

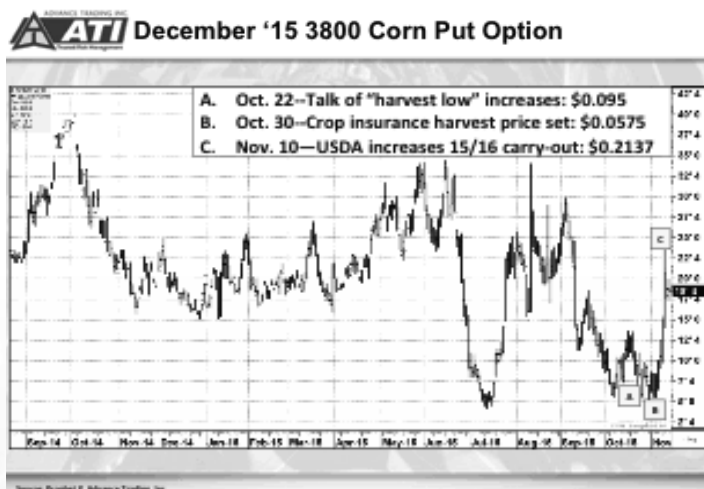
Some good points were made in a recent newsletter sent out by Brian Basting with Advance Trading. I have included a portion of it in this edition of the Farmers Cooperative Newsletter.

Price Change Happens . . . and Can Be Very Fast: Part II

Increase in 2015/16 U.S. corn carry-out exceeds expectations, new contract lows in futures market

In a wire earlier this summer, we noted that significant price changes happen and can be very fast. That was evident again this week after the USDA's Supply/Demand report. Prior to the report, there was a belief by some that a "harvest low" had been made for December 2015 corn futures near \$3.60. The report changed that notion, however, by increasing production and lowering usage. As a result, the 2015/16 U.S. corn carry-out of 1.760 billion bushels not only topped the average trade guess of 1.597 bbu, but also was above the top end of the range of 1.702. December 2015 corn futures slid to a new contract low of \$3.56.

One by-product of this was a sharp increase in the value of put options. This is notable because the price of options had been on the decline throughout October amid talk of the establishment of a "harvest low" (see chart). The importance of establishing price protection for unsold 2015 production has been underscored by what occurred in the market this week. In addition to the many attractive features of options, current low volatility also provided a cost effective way to manage price volatility. Even if the market had not moved lower after the report, the purchase of a put was still a prudent strategy in an uncertain environment.



Summary: A new contract low was seen in December 2015 corn futures this week after the USDA's Supply/Demand report. The most recent slide in the futures market led to a sharp increase in the value of put options compared to levels seen at the end of October. This latest price change highlights the value of consistently managing price volatility utilizing available risk management tools.

As always, the market will remain unpredictable. Prudent risk management dictates that we resist the temptation to simply listen to noise and chatter in the market place that tells us what we want to hear while ignoring price risk. A recent example is the talk that El-Nino will lead to crop problems next production year along with substantially higher prices. That may be right, but what if it isn't, and we see lower prices than what we are faced with now? Instead of trying to "out-guess" or "time" the market, we need to take advantage of the opportunities that utilizing risk management tools give us throughout a marketing year.

The Key is Communication

By Rob Blahauvietz

We have completed the 2015 season and, hopefully, your financing needs for the 2016 year have been arranged. I would like to remind you of your cooperative's credit terms and policies. All monthly statements are due and payable in full by the last day of the month following the purchase. Any balance not paid at the end of the month will be considered past due and be assessed a finance charge at an annual rate of 16%. Any account 30 days past the due date could be subject to being placed on a COD basis.

If you will need extended terms from the Coop, please contact me to apply for additional financing. We do have long-term financing available through Cooperative Finance Association for your crop inputs at a very favorable interest rate. If you have CFA financing, you will also receive any cash discounts available. This must be done as soon as possible and before the season begins. You must also have your 2015 crop inputs paid before any new inputs will be delivered.

The key to working with you is communication.

You can contact me at the Dorchester office at 800-642-6439.

COMMUNITY

Supporting Seward FFA Chapter

Farmers Cooperative and Syngenta supported the Seward FFA Chapter through the Syngenta Blue Jacket program and the National FFA Organization. Syngenta's generosity and Farmers Cooperative provide funds used to support Agricultural Education and nurture agricultural leaders. Each year students from local FFA Chapters participate in National FFA programs like the national convention, area leadership conferences, local competitive events, contests and chapter functions.

Syngenta and Farmers Cooperative help to provide support to the National FFA Organization for these activities.

The blue jackets are awarded to a qualified FFA member from a chapter in our local area. Farmers Cooperative, as a participating retailer in the FFA Blue Jacket Program, is sponsoring the Seward High School FFA Chapter. The jacket will be sent to the school and may be awarded based on financial need, outstanding achievement or excellent participation. The FFA Jacket award winner is selected by the local FFA Chapter.



(L to R) Doug Stutzman, Ruby Branch Manager; Dan Pernicek, Seward Branch Manager; Riley Kamphaus, Seward FFA Vice President; Cara Wolverson, Seward FFA President; Craig Nelson, Syngenta Representative; and Craig Frederick, Seward FFA Advisor.

The Chapter is also receiving a check for \$750 to support Agricultural Education/FFA at Seward High School.

Expansions within Farmers Cooperative

Ron Velder, CEO

Farmers Cooperative is working on a new green field site at Frankfort, Kansas. With the lack of rail freight in this area, Farmers Cooperative has invested in purchasing 312 acres of land to build a new train load-out facility. This is located on the Union Pacific Railroad and will be fully automated to load 110 cars of corn, soybeans and wheat in 8-10 hours. After many years of studies and the merger with Southeast Nebraska Cooperative Company, we felt this was an asset that should be pursued. This will be Farmers Cooperative's 4th Union Pacific shuttle loader along with two on the BNSF. Our goal is to have this built and operational by October 1, 2016. Frankfort is located 10 miles east of Marysville and 11 miles south on Highway 99.

Raymond – Farmers Cooperative is building a new agronomy center ½ mile north of Raymond on Highway 79. This new site will have a dry fertilizer shed that will hold 1,700 tons of product, a storage building, an office, and scale. Also, all ammonia assets are being moved out of town to this site for additional safety reasons. This 23 acre site also has a shop for working on equipment and plenty of room for a corn pile. Work is underway and expectations are to be operational by late spring 2016. In addition, a 500,000 bushel grain bin and 15,000 bushel leg will be built in town and ready to be utilized for the fall harvest of 2016.

Cordova – Grain storage will continue to increase with an additional 500,000 bushel grain bin along with a 15,000 bushel leg north of the 200,000 bushel bin built this past summer. This addition will also be ready for the 2016 fall harvest.

Farmers Cooperative will continue to look at other locations to add additional grain storage and other beneficial assets moving forward. As yields continue to increase and some storage being replaced because of age management, the Board and management will evaluate for future needs.

NEWS FROM THE CREDIT DEPARTMENT



Rob Blahauvietz

Please help our Propane Drivers

By Rob Blahauvietz

You can help our propane drivers by making sure there is a clear path to your propane tank this winter. Keep a clear path both for the truck and also for the driver to walk to the tank with the hose. Be sure all tree branches and bushes are trimmed in the path. Also, please do not pile snow around the tank.

Be sure to watch your propane level this winter. If you do run the tank empty, we are required by law to do a leak test which will cost you \$50.00.

The house propane budget program is working great. This is our sixteenth year for this program. The customers like the even monthly payments while keeping their tank on a keep-full basis. If you are not on this program but are interested, please be sure to contact me in April 2016 to get on the budget next season.



**Call 800-473-4579
For All Of Your
Propane Needs**

Veterinary Feed Directive Regulations



Kevin Wittler

By Kevin Wittler
Feed Department Manager

Recently the Food and Drug Administration published the final rule for the Veterinary Feed Directive (VFD) regulation. The regulation expands the list of antibiotics included in the VFD, which is a program that has been in effect previously but has affected primarily only Pulmatil usage at your cooperative feed mills. To simplify this and relate it to the vast majority of your cooperatives livestock producers I will narrow it to 'if you feed only Rumensin, Bovatec or Carbadox, they are not affected by this rule.' If you feed other animal health products you may be required to obtain a VFD from your veterinarian.

A VFD is a prescription which increases veterinary involvement and consultation in your decision making process. This helps meet the key principle of the rule to limit the use of medically important antimicrobial drugs to those uses considered necessary for assuring animal health (therapeutic purposes).

VFDs must be issued within the context of a veterinarian-client-patient relationship by a licensed veterinarian and must include the vets' electronic or written signature. **A VFD cannot be verbally issued.** A VFD must be issued in compliance with drug approval so it can no longer be utilized for extra-label use. VFD feed cannot be fed after the expiration date on the VFD so when your veterinarian is filling out the necessary form it is important to communicate the accurate timeline of your medication needs.

VFD's are able to authorize the use of combination VFD drugs but must include the Affirmation of Intent Statement of either "May not be used in combination, May be used with listed drugs, or May be used in any approved combinations." The largest use drugs locally which are affected will be Chlortetracyclines, Oxytetracyclines, Lincomycin, Neomycin, Penicillin, Sulfas, Virginiamycin and Tylosin. This is by no means a complete list and several name brands are registered that fit into these product categories.

Additionally, production uses such as growth promotion and feed efficiency will no longer be allowed on any VFD covered product.

It is important to note that water soluble versions will also require a prescription, however injectable versions of these products are not affected.

Your veterinarian must retain the original VFD and your Cooperative as your supplier, as well as you, the producer must retain a copy of the VFD all for a period of 2 years. The final rule has been issued, the updated labels will be issued late 2016, the veterinary Oversight Target date is December 12, 2016 so by December 31, 2016 we all need to be in compliance.

Your feed team is available to assist you in compliance and answer questions you may have, however the VFD must be issued by your veterinarian and upon rule implementation we must have a current VFD in order to manufacture and deliver your order.

We want to thank each of you for the products and services you have allowed us to provide your operation this past year. We continually strive to cost effectively meet the needs of your operations and the expectations of you, our producer owners.

As we begin the holiday season we want to express our appreciation for the advanced planning and ordering you were able to allow your feed mills last year at this time. Please attempt to place orders as far in advance as possible in order to allow your employees a much deserved holiday break with their families.

We thank You in advance for your help in scheduling holiday feed needs and wish everyone a Merry Christmas and a Happy New Year.

“Common sense is in spite of, not the result of, *education*.” – Victor Hugo



Tom Hermance

By Tom Hermance
Human Resources and Safety

Now and then I hear so called Safety Professionals use the saying, “if people would just use some common sense.” Even though I know they mean well, the saying in itself really doesn’t make sense. If you leave things to common sense then you are really saying “just leave it to chance.” When you break it down, common sense can create a variety of results and when it comes to creating a safe work environment and creating safety behaviors among our employees, there is no substitute for training and education.

Industry leading Agricultural companies like Farmers Cooperative also lead the industry in Safety and Compliance. Over the years your Cooperative has spent countless dollars and time in developing both the facilities and the employees in improving the safety behaviors. This is only done for one reason and one reason only. To be able to ensure both our customers and our employees that Farmers Cooperative cares about the personal wellbeing of the individual.



It is with a great deal of pride that your Farmers Cooperative employee, in a year’s time, will go through countless hours of training and development in areas such as Grain Engulfment, Air Quality Testing, DOT/CDL Driver Training, Fall Protection, Safety Hazard Identification, Safety Behavioral Training, Housekeeping and Leadership. This is no small accomplishment when over 550 employees are spread out among nearly 60 locations in two states, but it happens because Farmers Cooperative employees are professionally committed to continuous improvement in their Safety Behaviors.

As your Farmers Cooperative Human Resources and Safety Director, it gives me a great deal of pride to work along side such dedicated professionals. We are employed in an industry that at times requires long days, and days that turn into weeks, yet the quality and commitment never waivers. Next time you are in your Farmers Cooperative location, please show your gratitude to the dedicated men and women at Farmers Cooperative.



"Investing in our Communities"

By Dennis Kenning,
Sales and Marketing Manager

In my previous newsletter article I discussed how Farmers Cooperative is "Investing in our Local Communities." The investing I was talking about supported 4-H and FFA, helped those in hunger, and supported local fire departments. The investing in communities I want to discuss today is how Farmers Cooperative is helping to drive local economies.

As I travel the area, I think about how Farmers Cooperative has benefited some of the small communities, such as Jansen, Nebraska. When I was young, I looked at Jansen as a boom town, because of the many businesses on Main Street. Jansen had a hotel, lumberyard, three taverns, grocery store, furniture store, and other businesses. Oh, and let's not forget the large white building that was located at the end of Main Street, Farmers Cooperative. Today Jansen is a nice community, but most of those businesses are gone now.



I would consider the Jansen branch as one of our leading locations because of all that it offers. It serves as a grain loadout facility for rail cars with adequate grain storage. This past year the Jansen branch loaded 49 trains and shipped some 20 million bushels of grain. It has a very active

feed mill operation to process feed for producers. In September of 2013, Farmers Cooperative constructed a large dry fertilizer handling and storage facility. This facility has a total capacity of 14,000 tons and was constructed at a cost of \$5,000,000. Today this facility is scheduled to double in size because of an addition to the facility. The Jansen branch also offers anhydrous ammonia and has fuel available 24 hours a day. This makes me ask the question: how many businesses do you know that are willing to invest in a community the size of Jansen, Nebraska?



The Farmers Cooperative invests in our local communities several different ways. The first way Farmer Cooperative invests in communities is by providing jobs with very good benefits. In many of the communities, Farmers Cooperative represents the largest employer and in some cases the only employer. The Jansen branch employs 11 people at that location. As a company, Farmers Cooperative employs 575 employees as full-time, part-time, or seasonal help.

This year wages should reach around \$25,000,000. These numbers represent some very valuable jobs for people who want to remain in our area. As we all know, wages help to drive our local economies.



Secondly, Farmers Cooperative is investing in communities by providing a large amount of tax support. Did you know that Farmers Cooperative paid \$1,714,668 in property taxes this past year? Plus we collect about \$90,000 per month for sales taxes. Don't forget the sales taxes we pay as a company for the products we use to run the business. Just like everyone we also pay for road fuel taxes. These funds from taxes are important to our local governments for things such as schools, roads, law enforcement, and fire protection.

Third, Farmers Cooperative has several construction projects going on each year. This construction not only adds to the tax base but also supports local economies. During construction, work crews spend money on lodging, food, fuel, and other supplies they



need while they are building. These construction crews may also buy some of their supplies locally, thus helping our local economy.

Fourth, Farmers Cooperative is Investing in Communities by adding and supporting the local business economy. Here at Farmers Cooperative we try to buy locally as much as possible. Farmers Cooperative tries to be self-sufficient, but we cannot keep everything on hand that we might possibly need to operate our branches. We spend money locally in many ways; it may be purchases at an auto parts store, advertising by radio or newspaper, repairs, or needed supplies. Farmers Cooperative spends money at many local businesses each year, thus helping the local economy.

Finally, we are Investing in our Communities with those things we don't always think about. Investing in

equipment, facilities, and personnel can save producers time and money. At some of our grain locations we spend funds to construct a double-scale system with outbound printers. This system helps get the producer's truck back to the field. This provides

less down time for our producers. Many small towns do not have a place to fuel vehicles.

Farmers Cooperative provides some 23 fueling stations. This saves consumers and producers time and money. Without these 24-hour fueling stations, people would have to travel a greater distance thus using additional fuel and wasting time.

At Farmers Cooperative we truly believe we are "Investing in our Communities." We do this through employment opportunities, increasing the tax revenue, construction spending, buying locally, and providing services that save time and money. The town of Jansen represents many of our other branches located in small towns. Farmers Cooperative is the

major economy of many of these towns. Also, please keep in mind when you use products and services from Farmers Cooperative that you too are *"Investing in our Communities."*



Watch for our Producer Meetings

Learn about Agronomy, Animal Nutrition, Fuels, Grain, Lubricants, and Tires. See our new products lines, technology, services, and strategies to help make your operation more profitable. Our meetings are designed to be fun, and only about an hour in length. This year our Producer Meeting will be a football tailgate with lunch on us. We look forward to seeing you at our Producer Meetings this winter.

“Here’s Your Sign”



Chris Foree

By Chris Foree, The Oil Guy

In July’s *Farmers Cooperative News*, a look at volatility and oil consumption rates illustrated the fact that lubricants made by Cenex and by FS are well worthy of a premium price in comparison to some of the more famous brands, including some available from your local implement dealership. We do a lot of testing to find out as much as we can about the true quality of the products we use and sell, versus what a brochure or label might claim. On top of the bench testing, the products we recommend as the best for the money have been running in our company equipment for a long time now.

*We run machines hard;
and I mean severe duty
cycles with extended service
intervals far beyond what
the owner’s manual says.*

We have a huge database of used oil analysis reports on thousands of pieces of heavy-duty equipment; including farming operations, construction fleets, heavy haulers, and Farmers Cooperatives own machines. We use Cenex Maxtron DEO 15W-40 and FS Power Fluid because ***we know these products work when we overwork them***, in all brands of diesel equipment; including tractors and combines just like yours. So why sell anything else? Well...



Keep in mind that I grew up in my dad’s tire shop and service station, so this stuff is kind of in my blood. We had gas pumps out front, three service bays, and a warehouse full of tires in a musty old turkey-processing plant with a big Michelin sign on the front.

Dad sold a lot of tire brands over the years: Michelin, Goodyear, Firestone, Toyo, Cooper, Dayton, and Summit.



For about the last twenty years Dad was in business, most of what he sold was National Tires. Eventually Goodyear got tired of that and made it impossible for him to handle their brand. To a kid, it was a little bewildering; I had been proud to tell my friends that Dad sold the same tires used by A.J. Foyt and Richard Petty. No famous race driver had ***National Tires*** plastered all over his race car, so when Dad lost Goodyear it was a serious blow to my cool-factor at school.



No more Goodyear pocket protectors or pens to flash around. Dad's trucks said **National Tires** on their cargo boxes ever after. Still, he told me Michelin was the best, so the big blue sign would stay on the warehouse. The National sign was just beneath, an inch or two.

I found out later that a lot of people had asked Dad for lower prices. Folks said they couldn't afford the famous Goodyear or Michelin brands, and Dad listened. Dad knew his responsibility to the customers and employees to make the right decisions about what brands to handle.

Quality was still the most important measure, and there was no way he would sell poor quality tires.

National made high-quality, long-lasting tires people could afford. Michelin tires (much like Cenex and FS oils) cost a bit more, because they were among the very best available.

For coworkers and customers alike, jobs and families depended upon the decisions Dad made. To him, that brought a whole new meaning to the Golden Rule. We still try to live by that Rule here at Farmers Cooperative. So we do the best we can to make wise choices, looking out for the best interests of customer and company.

This winter, we'll all find out if I've made a wise choice, or if I've had a "here's your sign" moment.

A lot of people are asking for lubricants at lower prices, and we are listening. We found a well-known, high-quality, dependable, field-proven brand of lubricants we all can trust to run in green tractors, red combines, yellow loaders, white semis, and family cars and pickups. New signs, familiar especially to racing fans, will begin to appear at Farmers Cooperative locations. You can trust that ultra-premium Cenex and FS brand logos will still be the biggest signs on our buildings as long as their level of quality continues to surpass the competition. We're just adding another layer to our product offering, just an inch or two beneath, in order to serve more of our patrons better. We listened; because that's the most important job you, our owners, hired us to do. We've done our homework, as always, making sure quality and performance will not disappoint. Your tractor's warranty will be protected, as is true with every brand of oil we sell. So if you are in the market for a more affordable brand of lubricants, with product quality equal to (or a little better than) implement dealer brands and popular national brands, with the added assurance of local Farmers Cooperative Golden Rule service—*here's your sign.*



Demand Remains Stagnant, Despite Low Prices

By Dale L. Hayek
Grain Department



Dale Hayek

2015 fall harvest seemed to come and go without any major hick-ups. I would like to thank everyone for their patronage this harvest. Even with large production the past few years, both the commercial elevators and farmers have increased their handling ability so much, it doesn't feel like a rat race. Overall it was a good harvest in our territory, but no doubt the wet spring, and later the dry summer limited several of our locations harvest handle.

Rail logistics were a non-event, as both the UP and the BNSF have met demand for rail equipment, for the time being. Part of the efficiency of the railroads were the fact that there was a smaller soybean export program and minimal corn, wheat, and milo exports in the fall. This freed up more sets of shuttle freight to handle demand.

Chinas soybean demand from the US didn't start until later this year because South American soybeans were less expensive to buy. The window for US to ship to China is smaller, as South American harvest will begin in February and March, and it looks like they will be less expensive again to export to China. With the Panama Canal expansion available in 2016, it will be interesting how many vessels are routed that way.

Unfortunately, the strong US dollar dampens demand for all of our commodities.

There was, and still is, very little ownership of grain in the commercial buyers' hands. The market gave little opportunity for producers to sell attractive prices. We have seen the effects of little fall ownership lately as basis levels have become more attractive, and futures remain flat

lined. End user demand is stagnant, as there is little margin in feed and ethanol markets. It will be interesting how this year plays out.

The eastern Corn Belt basis is much more aggressive as producers had less production there and are more proud of their bushels.

We piled a little below 8 million bushels on the ground at 23 locations. Currently we are working on picking them up and shipping them. The BNSF shuttle market had a window of opportunity that allowed us to utilize Dorchester and Beatrice locations more heavily at harvest. As many of you know, this is a change from the past couple years since BNSF has been a discount market for us. Time will tell whether this will continue, but I remain optimistic.

Everything is cyclical.

We are expanding storage in Cordova and Raymond in 2016, along with our biggest project of the new UP shuttle loader being constructed in Frankfort, KS. The new shuttle loader in Plymouth was accessible for a couple of bean trains in harvest, and by the time you are reading this we will be able to utilize the shuttle loader for corn loading; the bulk weigh system is served by two independent jump legs. The installation of double scales has proven to be a great time saver for the producer as well.

We will continue to concentrate on speed and space. Thanks for your patience in Plymouth this harvest; it will be well worth it in the long term.

Keeping engines protected in cold weather is a priority!

By Chuck Swerczek
Petroleum Sales & Marketing



Chuck Swerczek

Maintain fuel tanks for cold weather performance:

With proper tank maintenance and fuel handling, you can avoid most common cold-weather problems. During winter months, ice formation in fuels containing water creates severe fuel line and filter plugging problems. It's important to regularly

remove water from storage tanks, vehicle fuel tanks and filter bowls, and to replace fuel filters according to manufacturer recommendations, or at least once a year. A water logged filter will swell and freeze restricting fuel flow.

It's time once again to take steps to protect your diesel-powered equipment from harsh winter weather. Premium Diesel Fuels are exactly what you need. Farmers Cooperative offers both Roadmaster XL® and Ruby Fieldmaster® Seasonally Enhanced with CFI (Cold Flow Improvers) and #1 Diesel Blends, both are formulated for moderate climates and provide outstanding protection during extreme cold conditions.

Industry Winter Terminology

Cloud Point - The fuel will look cloudy and wax crystals will begin to appear

CFPP- (Cold Filter Plugging Point) is a cold flow test that chills fuel to the point it will plug a 45 micron filter. New equipment filters today are two and five micron. Most cold flow additives are CFPP technology, which make the CFPP test somewhat less liable

Operability - the lowest temperature at which equipment will operate without loss of power due to wax formation in the fuel delivery system

WASA - (Wax Anti Settling Additive) Keeps wax particles dispersed evenly for long periods of time;

- > Long weekend shut downs
- > Extended outside storage
- > Avoids overwhelming the fuel filters-
- > Operability increases by dispersing smaller crystals.

Proper use of cold flow improvers can extend the operability of fuels without the use of #1 fuel. They serve two functions: 1) changing the wax structure of diesel fuel so it can pass through filters more readily, and 2) keeping wax crystals dispersed longer when fuels are stored below the "cloud point" (temperature at which paraffin in fuel begins to form cloudy wax crystals and reduce flow). Cold flow additives do not reduce cloud point; Using # 1 fuel is the only way to reduce the cloud point of diesel fuel as it typically has a very low cloud point.

Always blend fuel & fuel additives when fuel is at least 10 degrees above its cloud point. *(Blending Cold Flow additives into diesel that is already at or below its cloud point will have no effect on the fuel)*

Rule of Thumb

For every 10% of # 1 fuel used, the cloud point will drop by 3 degrees

Example: 50% #1 into the 50% Ruby Fieldmaster + CFI will reduce the cloud point of the blended fuel by 15 degrees or lower

Cenex Premium Diesel Fuels are enhanced with special additives designed for new diesel engines. These advanced additives help prevent common problems associated with using standard diesel, including injector failure, clogged filters, reduced efficiency, power loss, poor starting, costly repairs and even engine failures. The additives are smart injected at the terminal when the fuel is loaded. You can be confident each gal has the additives you are purchasing to meet your needs.

We are offering Diesel Fuel Contracts for next season, March 1st thru November 30th 2016. Contact me at 402-580-7562 or your nearest Branch Manager for more details.

Farmers Cooperative and I appreciate your support this past year and look forward to serving you in the future. *"Investing In Our Owners' Success"*



Shedding Light on the Concerns of your Field

By Brian Scherling
Seed Department

What a challenging growing season we had in 2015. During the past year we were confronted with very wet conditions early on and finished with very dry conditions in most of our territory. It was a year that we will not forget for many years to come. As we begin to make our seed decisions for 2016, please keep in mind the many factors that go into making good sound choices. I will highlight some of the factors in this article.

CORN PRODUCT SELECTION CONSIDERATIONS

- Maximizing yield potential and minimizing risk are two main goals when selecting corn products.
- Planting products with different growing degree unit requirements to mid-pollination can help decrease risks of heat and drought stress during pollination.
- Selecting corn products that can handle the additional stress associated with corn-on-corn environments can be challenging.

YIELD POTENTIAL

Generally, the first selection criteria when evaluating corn products is yield potential, followed by various agronomic characteristics. Product performance in plots across multiple locations and years can indicate the consistency and yield potential of a product, and in which environments it tends to excel or falter. A few variables about each location to consider are soil type, crop rotation, tillage, temperature, and rainfall.

AGRONOMIC TRAIT CONSIDERATIONS

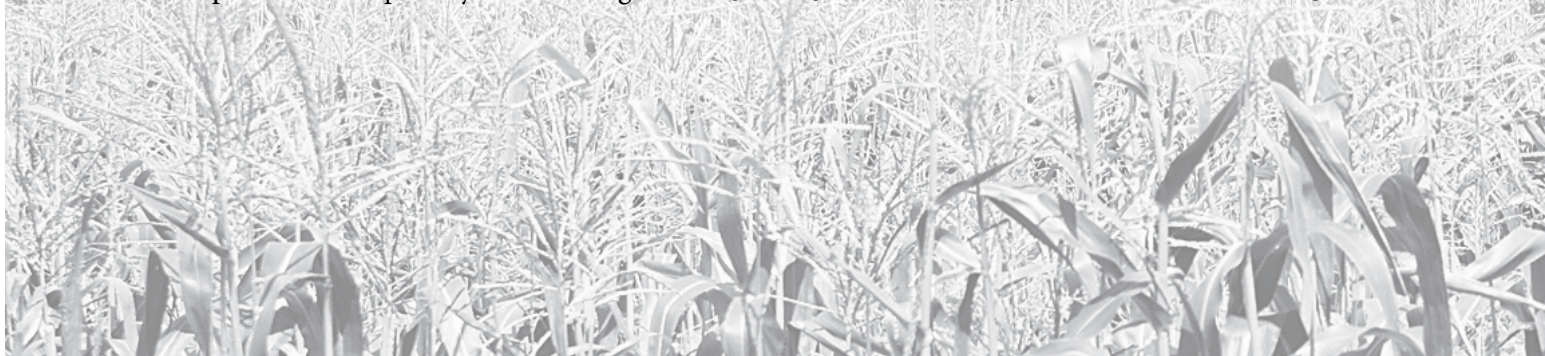
The relative importance of individual traits differs with production practices and growing conditions. Important agronomic considerations include standability, disease and drought tolerance, insect and herbicide resistance, and good emergence and seedling vigor in cool conditions.

Emergence ratings should be considered when selecting corn products. A strong emergence and vigor rating is especially important if a product will be placed in a no-till or reduced tillage field, or will be planted early, as these management practices can result in cool, wet soil conditions.

Products should be evaluated for tolerance to diseases that are common in your geography. Keep in mind that fungicide applications may mitigate some of the impact associated with a product's susceptibility to foliar fungal

diseases such as gray leaf spot and northern corn leaf blight, although that yield protection comes at a higher cost and risk than product resistance or tolerance. Standability is a common agronomic trait that is critical for ensuring the grain produced is harvestable. Stalk and root strength are particularly important for corn that will be planted at a higher population, or for corn that is likely to be under drought stress or any other stress that reduces standability. Stalk diameter decreases with increasing population and drought stress favors stalk rot. If stalk rot appears to be a persistent problem in your system, consider placing more importance on standability and stalk rot resistance in your product selection.

Drydown, stalk quality, and root strength can help manage harvest schedules. Several variables can affect these characteristics such as stresses endured throughout the growing season, untimely frosts, and various pathogens.



DIVERSE RELATIVE MATURITIES

A good management practice is to plant a combination of products with early-, mid-, and full-season relative maturities (RM) to help spread out the harvest schedule and help minimize losses from drying costs and lodging. The early RM products can help with getting harvest equipment set properly and fulfilling early fall delivery commitments to elevators. Often, the majority of acres in an operation should be planted to mid- and full-season products due to the tendency for them to have higher yield potential since they have more days to photosynthesize and fill grain. In addition to helping manage harvest schedules, having a spread of RMs can help mitigate risks associated with an early fall frost such as low test weight, lower yield potential, and poor drydown.

GROWING DEGREE UNIT REQUIREMENTS

An often overlooked characteristic when selecting a package of corn products is growing degree unit (GDU) requirements to flowering or mid-pollination. Spreading out GDU requirements to mid-pollination can help decrease the risks of heat and drought stress during pollination.

A package of products with different RMs may or may not result in a package with differing GDU requirements to flowering. For example, a requirement of 1300 GDU to mid-pollination can commonly be found in 103 through 113 day RM corn. Conversely, two products of the same RM can have significantly different GDU requirements to mid-pollination. For example, two 111 day products may have GDU requirements to mid-pollination of 1300 and 1340. An average daily accumulation of 25 GDU is common during the prime pollination period. Therefore, a difference of 40 GDU to mid-pollination might be a difference of one or two days for flowering. While this might not seem like much, it could be the difference of a cold front coming through or a much needed rain. It could also be compounded by different planting dates.

CORN-ON-CORN PRODUCTION

Selecting corn products that can handle the additional stress associated with corn-on-corn environments can be challenging. Regardless of the environment, the first selection criteria should be yield potential. Corn-on-corn systems may have the additional challenge of cooler and wetter soils due to heavy residue. Choosing a product with strong early emergence is important. Where applicable, planting products with insect protected trait(s) can help minimize the risk of damage from insects including northern corn rootworm, western corn rootworm, corn earworm, and European corn borer. Diseases such as gray leaf spot, northern corn leaf blight, southern corn leaf blight, stalk rots, ear rots,

seedling blights, and Goss's wilt are potentially more severe in corn-on-corn production. Though fungicide applications can help effectively manage many of the foliar fungal diseases, selecting corn products with high levels of resistance to these types of diseases is often the best management strategy.

In some cases, continuous corn acres should be rotated among corn products. Many of the pathogens that cause diseases overwinter in crop residue. If one of these diseases occurs on a corn product in one year, inocula will be present in the debris. Therefore, there is a higher risk that the same product will be infected again if it is used in the same field the next year. Rotating to a different product with better ratings for that specific disease can help address this issue.

The Seed team at Farmers Cooperative would like to thank you for your past and future seed business. We look forward to meeting with many of you this fall and winter to help you make those tough hybrid and variety decisions. Please contact your local salesperson to find out more about our seed lineup and early cash discount options.

Sources: Monsanto, agKnowledge Spotlight

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The New LSW by Titan Tire

By Brent Colgrove
TBA Manager



When Tom Hueske ordered his new combine from Greg Meints from Wells implement of Plymouth he started asking Greg if he knew anything about the new Low Sidewall Technology tire and wheel combination from Titan tire. Greg had heard about it and may have seen it at Husker Harvest Days but didn't know a lot about it, so Tom got on the internet and did some research and when he came into the Coop Tire Store in Plymouth he knew more about it than any of us at the store. Tom said he wanted a stable tire that would hold the terraces and go down the road with less bounce or rode lope. He was also concerned with the weight of his machine with a full bin, Tom wanted a wide and tall tire that would distribute the weight and keep his compaction down. With some considerable research and calls to Phil English our Goodyear/Titan rep we found that the new IF-800/55r46 DT 830 Goodyear tire and wheel combination would be just what Tom was looking for. Tom was already pretty sure thanks to his research on the internet and the You Tube videos out in the market that he watched. The next step was to talk to Greg and see if we could order the combine without any tires and wheels on the machine. When Greg said yes we were pretty excited to try this new technology. Tom ran his new combine this season and I am happy to report that he was more than happy with the results of the new LSW – IF800/55r46. Tom said it was very stable in the field, he had no rode lope or hop going down the road, the tire and wheel handled the weight of the machine and he was happy with the little or no compaction in his fields.



the outer edge of the tires. Most of the time, especially when a tire is new, you will see quite a bit of stubble damage because the tire is still not weathered or hard enough yet from use.

When Tom Hueske ordered his new combine from Greg Meints from Wells implement of Plymouth he started asking Greg if he knew anything about the new Low Sidewall Technology tire and wheel combination

This new technology is available for other applications as well we can order sizes for tractors, sprayers, combines and of course wheel loaders. Adam and Brooke Engelman form Classic Dairy did just that when they went to Husker Harvest Days and talked to Phil English our Goodyear/Titan rep a year ago when this new technology came out. Brook and Adam were looking for new tires for a wheel loader they use on the dairy. Adam was looking for a good tire that would be stable to operate and tough enough to withstand the abuse of running 6 hours a day at the dairy 365 days a year. Adam and Brooke's answer was the new Low Sidewall technology by, you guessed it, Titan Tire. When I went to the dairy and talked with Adam about his new loader tires a full year later, he was very happy with them and was impressed by how well they ride with the short sidewall and how stable they feel compared to a standard loader tire. The low



Brent Colgrove



sidewall and extra tall rim makes the loader very stable to operate and really handles well

according to Adam. I couldn't believe how well they are wearing with all the concrete the tires are on every day. Shown below are the pictures of the new tire and wheel assembly and a picture of Adam next to his loader. Thanks guys for your support.

I would like to thank Brooke and Adam Engelman for the support and the information, and Greg Meints from Wells Implement and Tom Hueske for the support and the information. Without good customers like you guys, we wouldn't be here.

To learn more about the new LSW concept go to Titan Tire.com or give us a call at the Coop at 402-656-4000. Thanks for your support and see you next time.



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5 Check Program

- 1st Check: Stand Counts, Weeds, and Cutworm (mid-May)
- 2nd Check: Weeds and Rootworm (late-May)
- 3rd Check: Pre-Tassel and Disease (early-July)
- 4th Check: Disease, Insect, and Pollination (early-August)
- 5th Check: Stalk Quality and Harvestable Ear Counts (early-September)

12 Check Program

- The 12 check program will start mid-May with weekly visits until late-June. Bi-weekly visits start in July and run until September.



Farmers Cooperative
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For more information contact your
local branch or contact:

Wesley Hedges
Precision Ag Manager
(402) 239-3749

whedges@farmersco-operative.com



Soil Moisture Monitoring:

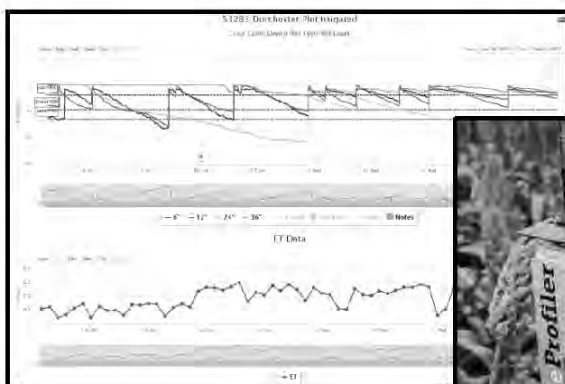
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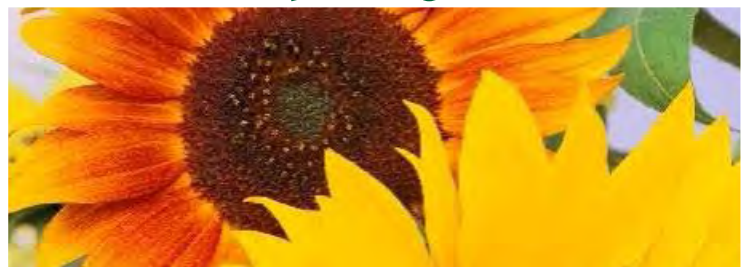
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SAVE THE DATE!!

Farmers Cooperative invites all our “Lady Patrons” to our
2016 Ladies’ Night Out – April 14, 2016
Saline County Fairgrounds, Crete



*Watch for details in the spring newsletter and at
Farmers Cooperative’s annual meeting*