



Coop

GAME PLAN

"PERFECTING THE WINNING COMBINATION!"

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Dwane Koch
President, Board of Directors

As fall starts to approach, Farmers Win will close out its financial year and begin a new year. The auditors are finishing up the inventories and numbers for the board to review. What we do know as the year progressed, we experienced some peaks and valleys, but Farmers Win continues to show growth. The board appreciates the work of the employees and management to continue to look forward keeping your coop strong.

In the past I have mentioned that we need to be open to changes in the way we may do business. We continue to look at different ways to do this and sometimes we need to look outside our walls to accomplish what we believe is the future of our coop. One of the areas that has seen the most change this past year has been the feed department. Farmers Win has feed mills in Cresco and Houston that have shown growth in every month. Farmers Win has also invested in a feed milling venture with Mid Iowa Coop at Sinclair to help cover the tons of feed needed to be delivered. We believe this will help with our logistics of feed and increase our presence as an end user of corn. The feed mill that we invested in correlates logistically to the investment Farmers Win has put into the Shell Rock Soybean Processing Plant. With this new investment Farmers Win has extended our territory to the south in both feed and agronomy.

The biggest event for the Farmers Win board of directors is our annual meeting. This year it will be held again in one location at Pinters Greenhouse just west of Decorah. You will receive the year-end financials, comments from the department leaders in agronomy, grain, feed and petroleum and our featured speaker will be Machinery Pete. This is also the time we elect board members and invite anyone who seeks election to please reach out.

Please save the date of Sept. 19th and join us for an entertaining and information packed evening. For those of you that have not heard Machinery Pete I am sure you will find him interesting and full of information that will pertain to your operation.

Have a safe fall

*Dwane Koch, Board Chair
Farmers Win Coop*



Ron Cruise
General Manager

The beginning of this year reminded me so much of my very first year after graduating from Iowa State, 1992. It was a very dry spring and we were able to go in the field at will. Unfortunately, this year, parts of our territory have not received the rains but we are still hopeful that a rain will fall in time to make a difference. On July 31st we concluded another financial year for Farmers Win Coop. Even though we will not have the audited results in time for this article we do know that our expenses have again gone up more than 10%. The increase is mainly due to the same items that caused a similar increase a year ago; labor, interest, repairs and insurance. As we look towards next year, we don't see the trend of increased expenses slowing down. We have already received our insurance quote for next year and it will increase 17% if we keep the same deductibles and structure. Getting insurance for coops and other retailers is no longer considered as simple as just getting bids. In the past we worried mostly about the cost but today we worry about the cost and the ability to attain insurance. The recent weather patterns have changed things drastically. The Derechos from the past few years have left insurance companies reluctant to reinsure companies that have been involved in these events. There were five major insurance companies that Farmers Win could consider to get a bid for insurance a year ago. Today that number is four as one of the major companies, Austin Mutual, has pulled out of the industry. Some coops that were with Austin Mutual have struggled to get Property and Casualty insurance because the four companies that are left cannot take on the risk. These companies have been forced to go through a process called the "Interchange" or the "Market" in which multiple companies, usually outside the US, take on certain levels of your insurance. The cost of this process can be 4-5 times more expensive than normal insurance rates. We have been informed by some that it will take 10-20 years for some of the insurance companies, that were directly affected by the Derecho of 2020, to turn profitable. That storm is believed to be the costliest thunderstorm on record with major structural damage pegged at over \$11 billion. Insurance companies are looking at many different policy changes to limit their risk such as not insuring grain bins over 30 years old, raising deductibles to \$250,000, lowering total umbrella coverages to \$5 million and etc. To combat the high cost of insurance some coops are looking to form Captive Insurance Companies. Captives are basically a single coop or a group of coops pooling together to self-insure. The disadvantages of Captives are the start-up costs and the possibility of limited coverage. The advantages can be more control over your cost if your loss-ratio stays low and the fact that you can actually get insurance. To try and combat the high costs and the risk of not getting insurance, Farmers Win invested into a new insurance program with our insurance provider. This program gives Farmers Win the ability to earn some of our premium back if our loss-ratio stays the same or gets better. In other words, we are betting on ourselves to beat the average. This program will also help ensure that Farmers Win will have insurance for the foreseeable future. The idea of locking-up insurance is the most important part considering the current environment.

Hoping for a bountiful and safe harvest for everyone.

Ron Cruise

Energy Prices Rise As OPEC Announces More Production Cuts

Global oil prices have reached their highest level since January 2023 as OPEC+ (Organization of Petroleum Exporting Countries) has announced plans to cut oil production by 5 million barrels per day (5% of global oil output). These cuts came in addition to a broader OPEC+ deal to limit supply into 2024 initially introduced in April. This comes at a time when global oil demand hit a record 103 million barrels per day this past June and August looks to challenge that record as well.

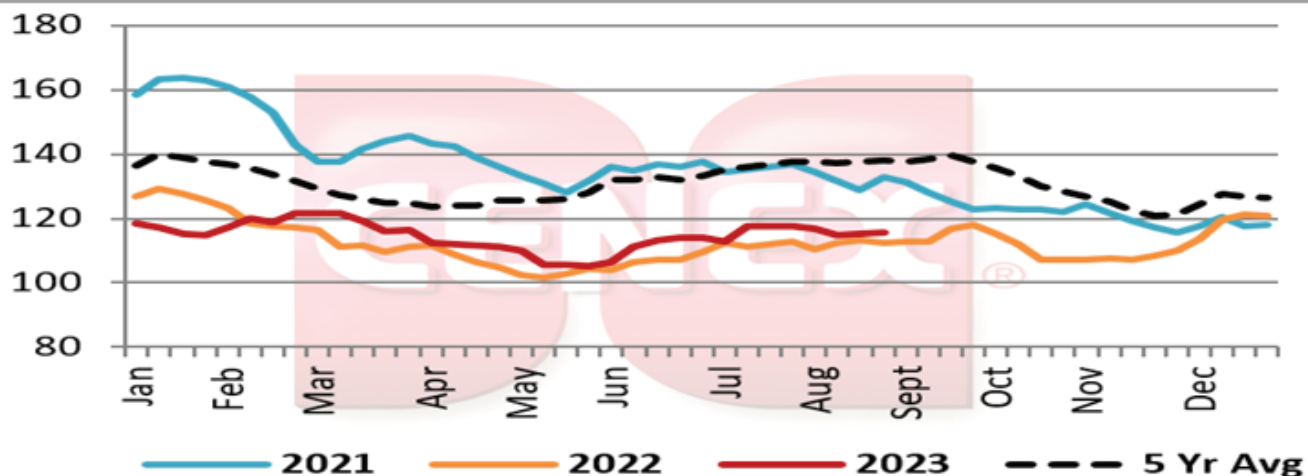
The U.S. EIA (Energy Information Administration) has warned that expectations of tighter supplies could hinder oil inventories into 2024 and push prices higher for the remainder of this year. If OPEC+ current targets are maintained, oil inventories could draw by 2.2 million barrels per day in the third quarter and 1.2 million bpd in the fourth, "with a risk of driving prices still higher".

Reflecting these higher crude oil prices are the prices at the pumps. Since the end of June gas prices have risen around 50 cents per gallon and diesel prices around 70 cents per gallon; levels not seen since the 4th quarter of 2023. Demand for diesel fuel is very strong and this nation finds itself once again with diesel inventories well below the 5-year average as farmers enter into their biggest demand time of the year (see picture below).

Be aware of your on-farm storage levels as fall approaches. Keep barrels topped off to at least get harvest underway and if storage is not adequate for fall needs give me a call to talk about contracting options. I still feel enough bearish sentiment due to global economic conditions will give us the opportunity to find better values before Spring 2024; try to have tanks drawn down after harvest to take advantage of those values. As always, do not hesitate to call and we can discuss a strategy for your operation moving forward.

Danny Steege
Energy Department Manager
(319) 240-1309

DISTILLATE STOCKS (Million BBL)



Commodity Markets Review

Each year in August the USDA releases an updated supply and demand report, as well as revised production estimates, which is highly anticipated because it often gets the market excited. The reason August is important is that it is the first month that USDA surveys farmers on yield potential, but it also combines that information with satellite imagery – remote sensing – to update their yield forecasts.

There was not much excitement this year when the report was released on August 11. “This August report is usually one of those high-sparks, high-intensity kind of reports where we see big price movements. Basically, what happened was that the USDA numbers came out very close to what the private trade analysts were expecting to see, which is, to some degree, kind of refreshing that we don’t have this wild ride that we’ve been on for the last couple years.” The complete report can be found on the USDA NASS website at www.nass.usda.gov/Publications.

Overall, numbers were neutral and fell in line with industry expectations. The corn yield was decreased from 177.5 to 175.1 bpa. This puts the stocks to use ratio at 15.3% and the U.S. Farm-Gate Price at \$4.90. The soybean yield fell from 52.0 to 50.9 bpa, bringing production down to 4.205 billion bushels, the stocks to use ratio for soybeans is now at 5.8%, and the U.S. Farm Gate price is \$12.70.

We are still facing unknowns for yields with a hot and dry forecast ahead of us, though most corn belt states are close to average rainfall for August. Does the corn crop have enough soil moisture reserves to have enough within its own plant to be able to finish this crop out? Will we receive enough rain to fill out the bean pods? Crop ratings have stabilized recently but are still considered the second worst since the drought of 2012.

Crop tour season is upon us and the market will see data from these tours published over the next few weeks ahead of the September USDA report. These tours will be interesting this year as the summer has almost been ‘backward’ from a weather standpoint with ‘dry early and wet late’ conditions over much of the corn belt.



10 Harvest Safety Tips To Prevent Accidents On The Farm

When it comes to harvest, there is a lot to be done in a short amount of time. Top that off with shorter days and colder weather, and you get a developed sense of urgency among farmers, which can lead to accidents. Farmers, it's important to begin pre-planning for harvest season right now to avoid accidents when you're in the thick of busy days. Use these harvest safety tips to prepare accordingly for the season and keep friends and family safe on the farm!

- 1. COME UP WITH A FAMILY CHECKLIST**
- 2. READ UP AND REFRESH ON MANUALS**
- 3. HAVE AN EMERGENCY PLAN**
- 4. MAINTAIN THE YARD**
- 5. TRAIN EMPLOYEES**
- 6. KNOW WHERE YOUR YOUNG CHILDREN ARE**
- 7. IF YOU FEEL FATIGUE, STOP**
- 8. MEET NEW LIGHTING AND MARKING REQUIREMENTS**
- 9. PRACTICE GRAIN BIN SAFETY**
- 10. BEWARE OF MACHINERY ENTANGLEMENTS**

Stay Healthy, Stay Safe This Harvest Season!

Farmers Win Coop Offers

- *Direct deposit for your grain checks. Funds are typically available within 48 hours of deposit, depending on your bank's policy.*
- *E-mail services for contracts, settlements, and scale tickets. Scale tickets at FWC can also be sent via text message.*
- *Mobile text updates with grain bids are available by location, and you can receive any number of location alerts that you wish.*
- *A variety of contracts to fit your personal marketing strategy. Reach out to one of our grain team members today!*

Reminder

As you are hauling grain, either into a location or direct to the terminal, be sure to communicate your intentions in a timely manner with office staff at our locations about what is to be done with your grain. If you notice an error on your scale ticket, please make notifications in a timely manner to minimize any delay in processing and payment.

Refer to our current grain policies for more information regarding drying charges, test weight, shrink and other factors relating to grain.



Rodney Torgerson
Feed Division Manager



Amber Eide
Nutritionist

I would like to thank you all for your business. I know I start my newsletters with this each time, but we really do appreciate your business. That is why our goal is to give you, our customers, as much expert nutrition advice and quality service as we can. Thank you!!

The Feed Department grew in manufactured tons again this year. We manufactured 13,000 ton over last year. The last two years we have grown over 33,000 ton of manufactured feed. Houston finally broke the 100,000 manufactured ton mark and Cresco West came in at 44,000 ton. With direct ship loads and what we pulled out of New Hampton for hog feed we ended the year at 155,388 ton. These are tons we produced or delivered with our trucks.

With the drought we've had some questions on stretching forages. I've gotten questions on tubs, but there are no real good way tubs can stretch forages. The best ways will be to use Corn Gluten Pellets, Soyhulls, Cotton Seed or hulls. These products can bring energy and fiber into diets without added starch. You can also use corn fodder, and or corn stalks. I've had some customers chop the corn stalks and add a liquid molasses to it and put in an ag bag and it made some really nice feed. Ask your nutritionist what would be best to do for your operation. I just know everyone is short on hay this year so we will need to be thinking ahead on what to do.

The commodities are a guessing game on where they will land. We are not going to have bumper crops. Argentina is not exporting any soybean meal in September so bean meal might go up then drop back down later. We will just have to watch and try and lock some commodities in when you see them dip down in price.

We hired a new nutritionist in Amber Eide. Amber lives in Peterson with her husband Tucker. She is a graduate of South Dakota State University in Animal Science. Amber will be a calf and swine nutritionist, she has experience in both and we look forward to working with Amber.

I wish you all a safe and successful fall harvest.

*Rod Torgerson
Feed Division Manager*



Tannor Burke
Assistant Agronomy Manager

Greetings, my name is Tannor Burke. I reside in Cresco, Iowa with my wife Jessica and our four kids Oaklee, Etta, Winston, and Waylon. I have been with the Farmers Win Coop since 2014. I have served as a Regional Sales Agronomist for growers in Southeast Minnesota and Northeast Iowa, out of the Burr Oak location. Last Fall, I accepted the role as Assistant Agronomy Manager for Farmers Win Coop. The opportunity to go to work and be a voice for all the growers across the FWC trade territory is something I take very seriously when dealing with wholesale and manufacturers. Chemical procurement this past year has had its challenges, but Travis Blockhus and Ron Cruise have been excellent colleagues to learn from during this transition.



Travis Blockhus
Agronomy Department Manager

From the Field

Weed control in many soybean fields this crop season has been a struggle. While lack of moisture to activate residuals and failure to canopy timely can answer a lot of weed escapes, we also must look at things we can improve on to control emerged weeds. Proper herbicide rates, weed height, tip selection, and increasing carrier volume are all good starting points. The use of MSOs and crop oils during drought conditions can also help herbicides penetrate thick cuticles. Lastly, depending on the severity of weed pressure, pulling the corn killer from certain tank mixes could reduce antagonization between herbicides dramatically.

Do you have a harvest plan? Our Agronomy Team is here to help. Extreme heat and lack of moisture have pushed this corn crop along faster than anticipated. A stressed corn plant will translocate sugars from other areas of the plant to feed the ear and kernels. This cannibalization may result in weaker shanks and standability issues. Fields anticipated to reach black layer (32%) in the month of September should be high priority on harvest order. Average September temperatures can often take 0.75 to 1.0% of moisture per day. Please reach out to your Agronomist at Farmers Win Coop to help evaluate maturity and conduct push test. I hope that everyone has a successful Fall harvest and thank you for your business!

JIMMY MITCHELL, SAFETY/COMPLIANCE

The summer is slowly starting to wind down and we are busy with fall preparations at the coop through all of our departments. Application and delivery equipment are getting run through the shops across the company to take care of any needed maintenance prior to the season. In Safety, we have started to host employee fall trainings as a refresher on Confined Space, Lock Out/Tag Out, Preventative Maintenance, and DOT Training (defensive driving). We are always looking at ways that we can minimize risks to the company and are constantly keeping the safety of our employees at the forefront of our planning.

A reduction in DOT traffic citations has been a priority through the spring and summer months and I am very proud to say that we haven't had any violations since early February. That is phenomenal news and is a very big part of minimizing the company's risk and lowering the company's insurance loss ratio and experience mod. By paying closer attention, not only on the road, but also in our everyday duties, we can achieve premium savings and prevent injuries and events that puts us in a higher risk category for our insurance company.

Our biggest risks at Farmers Win Cooperative include vehicles, anhydrous ammonia, and confined spaces. We have been working on training employees and automating our paperwork and training processes to ensure that the employees have an easier time keeping up with the record keeping portion of their duties and that they can focus on the tasks at hand. Keeping our employees safe is our biggest priority. We will be looking at ways in our safety committee meetings to continue to keep safety and compliance on the minds of all of our employees, no matter the season.

We have also been busy with site inspections, maintenance, and sanitation at most of our locations. As you can imagine, there is always something that we can do to improve our facilities. I appreciate all of the hard work of our location managers and employees in getting prepared for another harvest season. Please take the time at your own farms to keep up on safety related repairs and preventative maintenance. It can save you valuable time and money in the long run. We hope you all have a safe and profitable harvest season.

Stay safe.

Jimmy Mitchell, Safety Director



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ADDRESS SERVICE REQUESTED

*Save
-THE-
Date*

*Annual Meeting
Tuesday, September 19
Pinters Greenhouse - Decorah
Featuring Machinery Pete*

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HAVE A SAFE HARVEST !

