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Mawdsley and Helderfer retire from board

By Larry Sterk, StateLine Cooperative General Manager

StateLine Cooperative's bylaws are set up that directors can only serve four, full three-year terms. Last year, the first director who met the maximum limit of terms he could serve was Larry Bierstedt. This year your cooperative has two more directors who have met the maximum number of terms served allowed by your cooperative's bylaws — Verdean Mawdsley and Don Helderfer. As a result, they were not eligible for re-election. I want to recognize Verdean and Don for their outstanding service to SLC. In addition to serving on the StateLine Cooperative Board, these individuals have a long history of supporting the cooperative system. It was their job to help make sure your local cooperative continues to play a vital role in keeping the playing field level for you to purchase and sell the products and services you need for your farming operation. Thank you to Verdean Mawdsley and Don Helderfer for your commitment and service to your cooperative.

Say yes to serving your cooperative

There are some real advantages for a cooperative to have term limits. It keeps new individuals coming on the board, which helps the entire board with representation of the members and some new perspectives in how your cooperative can better serve you.

Cooperatives are grass roots organizations, and the key to having qualified board members representing you is to continue to have a database of qualified people who are willing to serve on the board. Your StateLine Cooperative board of directors appoints a nomination committee every year to review the area representation of the board and search for qualified candidates to serve.

Sure, there are always great demands on how to spend time, however, I encourage you to carefully consider serving on the nomination committee and/or have your name placed on a ballot for the Board of Directors at StateLine Cooperative. Serving on the board is an opportunity to represent your fellow user/members of your cooperative. When asked to serve on the nomination committee or asked to be put on the ballot, you can be assured that you are respected in the community and have skills and qualifications that the nomination committee knew would be a good asset to the SLC Board. As time goes on, we will have additional directors that have served the maximum number of terms so we will continue to need qualified directors to be on a team that can make SLC the best it can be.

Your cooperative's year-end results

By Larry Sterk, StateLine Cooperative General Manager

We held the annual meeting at the Ringsted Community Center on Nov. 30, 2009. We were pleased to report a record year in local earnings of close to \$2 million dollars and total earnings of \$6.8 million dollars. Working capital increased \$10 million with almost \$4 million of the increase coming from local operations.

StateLine Cooperative has a consistent history of solid local earnings to continue to build a strong balance sheet that can



assure you that your investment is being protected as well as assurance that your prepayments and deferred payments are secure. Your cooperative paid out \$772,000 in cash patronage which represents 30% of the total patronage allocation.

In other business Larry Jensen, Dean Beenken, and Tim McNertney were elected to the StateLine Cooperative Board of Directors.

In the General Managers report, a review of additional storage of UAN and NH₃ was presented as well as the major clean-up of cooperative-owned facilities.

Harvest BioFuels, an investment group from Texas, have discontinued their plans to start three ethanol production facilities in Iowa because of the lack of profitability of the last 18 months for ethanol plants, and the projected low margins/poor returns in the foreseeable future.

At one time I thought wet corn at harvest was a thing of the past because of improved genetics. However, the last couple of years illustrated why we need to take a renewed look at our

drying capacity and consider strategically placing larger, more efficient dryers in our trade area to service the occasional year where corn comes out of the field at higher moisture levels.

Most producers have far more harvesting capacity than they do drying capacity so as a cooperative, we need to re-evaluate the need for additional high-volume, more efficient grain dryers. Your StateLine Cooperative board will review this at our strategic planning retreat scheduled next month.

The General Managers report stressed that ag producers must be aware of what is happening in Washington, D.C., in particular "Cap & Trade" and "Indirect Land Use" legislation. Producers must learn about this legislation and understand how this will change the cost structure of production ag.

This legislation is still a moving target and if good science is not used as a basis for these bills, it will increase the cost for you to produce corn and soybeans and also impact the cost of doing business for your local cooperative. I encourage every body to be active in monitoring and learning what is happening in the political arena and to stay in contact with your representatives to make sure your interests are being represented by you, rather than people with little interest in agriculture and whose opinions are based on poor science.

We're thankful for you

Your cooperative has just finished another successful fiscal year at the end of August. We are already through the first quarter of the next year and are positioned well to have another good year in 2009/2010. We have a lot to be thankful for, record yields as indicated by record fall harvest receipts for StateLine Cooperative, a good fall fertilizer season, and strong feed tonnage through the feed mill. This is only possible through people. SLC is a people business, and our tagline "*Real People, Real Pride*" is about you and the cooperative employees working together to benefit your operation. This business is all about customers, members, employees and directors "*Working and Growing Together for the Future.*" We are pleased that you have given us the opportunity to serve you and look forward to serving you into 2010. All of us at StateLine Cooperative wish you the happiest holiday season as you celebrate Christmas and New Year with family and friends.

Online resources available

By Dean Kohlmeyer, StateLine Cooperative Grain Department Manager

MARK YOUR CALENDAR

January 28, 2010

Grain Quality and Marketing Meeting

9:00 a.m. – 3:00 p.m.

Water's Edge Nature Center,
Algona, Iowa

John Gnadke - Grain Quality

Troy Lust - FC Stone

Steve Crowe - Pioneer MarketPoint

Noon lunch served.

RSVP to StateLine Cooperative

515-924-3555

In the last issue, we reviewed some of the changes we made to the www.statelinecoop.com website. Did you know that your StateLine account and grain information is available to you from the farmerdata website link? You have access to all of your StateLine Cooperative account information via this link. You can view and print reports of the following information:

Account Info – your accounts payable with StateLine and deferred payments;

Patronage – your history of patronage payments;

Schedule F – your tax report;

Grain Balance – all of your contracts, offers, warehouse receipts, resettlements, unsettled tickets and history of settlements.

As you can see, the farmerdata account access allows you to view and print almost all of your StateLine Cooperative transactions within a secured website.

To utilize the farmerdata tool, sign up for account access through StateLine's website, www.statelinecoop.com.

The following steps will help navigate your request.

- 1 Bring your mouse or cursor over the “**Customer Login**” menu item located in the upper left hand menu list.
- 2 Click on “**Your Statement**”, the next page will load.
- 3 You can see what the information will look like by clicking on the “**Demo**” link located in the upper right hand section of the farmerdata page you are viewing.



4 Click on “Sign Up for Account Access”

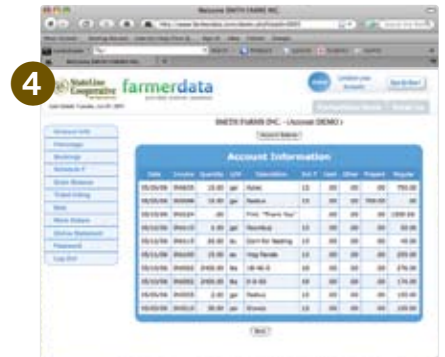
5 Fill out form and send. Stateline will reply to your request and send you an email with your initial password.

ISU extension online resource

ISU Extension continues to offer many financial analysis tools for farmers. You can see ISU's FINPACK program at the following link: <http://www.extension.iastate.edu/farmanalysis/>

We post some ISU cost of production examples under our ISU Acre Comparison Worksheets menu. Just click on one of the worksheets and you will see examples of spreadsheets you could use to verify your costs of production. StateLine Cooperative's agronomists and the grain team are ready to help you identify your production costs; just let us know how we can help. We will use information and outlines that can help you make profitable crop nutrient and grain marketing decisions.

Our website and internet technologies give us many easy-to-reach tools for gathering information. We always strive to improve information access for you. We want to assist you in your farming decisions and would encourage you to contact us directly with your inquiries. It is real people who still make the decisions and there are some things that will need to be reviewed in person and not just plugged into computer for processing. So don't hesitate to give us the opportunity to work directly with you. We'll always give you our best effort, just give us the opportunity.



StateLine Cooperative offers the full line of Crop Insurance with support of the area's largest staff of licensed agents and government certified staff.

Did you know that you are entitled to

**up to 65% discount on
Federal Crop Insurance?**

**There are discount programs available on Federal Crop Insurance.
Your crop insurance premium can be reduced by 65% and keep your total amount of
GUARANTEE THE SAME!**

Paul Nerem stays current on all federal crop insurance rule changes and programs available. Paul would appreciate an opportunity to work with you. You can call him direct at 515-924-3892 (office); or 515-320-2973 (cell); or call 800-373-8509 and ask for Paul. You may also email Paul at: pnerem@statelinecoop.com

StateLine agronomy thoughts

By Chuck Peter, StateLine Cooperative Agronomy Department Manager

This crop production season will go down as one of the cooler summer growing seasons on record, because if it had been a more normal year in terms of heat units accumulated, we would likely have seen many fields really pay the price for the nice, dry spring we experienced. While it is true that lower test weights, and higher than desirable harvest moisture have caused the local crops to be somewhat less than perfect, 2009 will be one of the best growing seasons Mother Nature ever provided for local crop production. I say local, because you don't have to drive too many miles in any direction to witness the results of a different face to the same Mother Nature.

For the just ended fiscal year, your cooperative's Agronomy Department ended 2009 in a better position than I would have predicted six months ago.

While our fertilizer sales volumes and application income were significantly lower than previous years, as expected, the weather allowed us to execute our operations plans effectively and efficiently in terms of labor and equipment utilization.

The great spring weather allowed us to catch up on NH₃ applications missed the previous fall, which kept your cooperative from having to carry over large quantities of higher cost NH₃ inventory. Phosphate and potash applications also exceeded my earlier expectations. We did end the year with quantities of fertilizer that accounting rules required us to lower their value "to market," but our auditors tell us our write downs were significantly lower than many of the other cooperatives ending their fiscal years at the same time.

Would the year be different if we could do it over?

Looking back on the fiscal year just ended, while I'd love the opportunity to take a "mulligan" and do it over, I suspect that without the benefit of hindsight, given the same supply information, the same future pricing trends, and the same grain market trends, I'd very likely make very similar purchasing decisions.

Our mission is to dependably supply our customers with good quality, competitively priced crop production inputs, along with a service level that enables them to plant and harvest in a timely manner. It is not our mission to try to outguess com-



modity markets. I would even venture that customers who prepaid for fertilizer last summer or fall at the higher prices then in effect, *and also sold their grain at the same time*, made more money per acre than those who waited, both for cheaper inputs, and to sell their grain.

Also, since we are located some distance from the Mississippi River, in order to ensure adequate, timely supplies, we have to take a position, and utilize the storage facilities you built for us as a hedge against short supplies. While this does involve taking some risk, if we had waited for the lowest possible fertilizer costs before beginning to take in product this fall, we would have run out of dry fertilizer in two weeks or less. From my vantage, almost every available hopper bottom and dump trailer semi-truck was involved in hauling grain this fall. It took a full three weeks to receive 1,500 tons of phosphate fertilizer by truck from the river that we had on order, and together our fertilizer plants can blend and apply that many tons in just two to three good days.

Clean Air Act changes— What does it mean for you?

On a different note, it may have escaped notice that the U.S. Environmental Protection Agency announced its determination that greenhouse gases constitute a public health menace. This enables the EPA to regulate industries that emit greenhouse gases under the Clean Air Act restrictions, instead of having to

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wait for future congressional action on this issue.

Coincidentally, this announcement was timed just prior to President Obama's trip to Copenhagen for the world conference on the environment. This finding of fact will enable the EPA to issue rulings that will require many changes to the way businesses manufacture and distribute energy and other products, by regulating what their emissions output can be.

Do you suppose EPA considers agriculture to be an "emitter" of greenhouse gases? Ever been around a well-nourished cow? Folks, between regulations on gas emissions, regulations on dust emissions, mandatory nutrient management plans, drift control regulations, and Clean Water Act compliance, in a very few years, I don't think you will recognize your current farming operation, because it will be very different. I'm not saying all the changes will be bad, but in my opinion you are going to have less and less choices in how you conduct your farming operation as the next few years unfold.

As President Eisenhower once said, "Farming looks mighty easy, when your plow is a pencil, and you're a thousand miles from

the field." Unfortunately, there are lots of well-meaning people "a thousand miles from your field," or even less, just itching to help you run your farming operation.

Season's Greetings

As we continue with our winter season, and the upcoming Christmas holiday, we want to thank you for allowing us to be your supplier of choice this and every season. We will work hard to continue to earn that opportunity. We understand that your cooperative is only successful when you, our owners are successful, and we again say a big THANK YOU for the faith you put in us, and for supporting that faith with your business. Please remember that at StateLine Agronomy, the main reason we exist is to help you improve the profitability of your farming operation. If we are not doing that job in a manner to meet your expectations, please let me know. *As always, please don't hesitate to contact your StateLine Cooperative Sales Agronomist or myself with any questions or concerns you may have.* I can be reached at 515-924-3859, cell phone 515-320-1466, or e-mail cpeter@statelinecoop.com.