



Tomorrow's Vision Today



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The Pressure Is on in Ag

The agricultural industry is currently going through some very tough times. While we have low commodity prices, land rent and some input costs have not yet trended down, making it very difficult for producers to get ahead. If you listen to the experts, this trend could be with us for a couple of years in the absence of some type of world event to move the markets.

The Full Circle Ag board of directors and management team held our yearly long-range planning session in early July. The main topic of discussion was how we will keep our organization strong while giving you the best service and products available. While this was only one of the agenda items on which we strategized, declining profit in the ag sector is where we spent most of our time.

One of the primary responsibilities of the board is to not only protect your investment, but to ensure the future of your federated cooperative. Full Circle Ag came into existence 79 years ago in 1936, and your board of directors and management team want to make certain that we are around for another 79 years.

As your ag supplier, we are cognizant of what is happening in the country and understand that we may have to adjust our plans during these stressful times. These adjustments may include

changes to the services and products we offer in some locations or geographic area. We are aware that change of any sort can be viewed by some people as a loss, simply because they prefer things stay the way they have always been. However, in your business and ours, we have all had to adapt and change to ensure our viability. I personally believe that, unless we experience a major world event, the next couple of years are going to be one of the most stressful periods in agriculture that we have seen in a long time.

When, and if, Full Circle Ag makes any changes in your area, we will communicate to you why we are making these changes and when they will happen.

Full Circle Ag's year-end was completed Aug. 31, 2015. Even though margins are getting squeezed and fewer inputs went out this year due to the lower grain prices, we believe we will achieve the budget we set a year ago. This could not have happened without your support and the efforts of all of the staff at Full Circle Ag. So thank you, everyone, for being our partner. We look forward to serving you for many more years to come.

Please take care during harvest. We want to keep you around.)



By Dave Andresen
Chief Executive Officer



Deciphering Your Data



By Joe Gustafson
Britton Agronomy Manager

With the rapid growth and widespread use of technology in the ag industry, data has become part of almost every farming operation we work with. From GPS-based grid soil sampling to yield monitor output and planter data, we're all flooded with potentially valuable data. I say potentially, because the information has value only to the extent that it can be used to increase productivity and improve bottom-line results.

We have a great resource to help you make the most of the data you're already generating, and his name is Mike Muth. Mike is our Precision Farming Specialist, and he is able to work with you to take all the data relevant to your operation—planting or harvest data, elevation maps, in-season satellite imagery, and more—and fully utilize it to enhance your operation.

This is becoming more important all the time, as more companies and universities develop tools and apps that are able to take your data and use it to help you manage your resources. For example, one of these tools

can create a model that tells you the ideal method and timing for nitrogen application to maximize utilization and, ultimately, yield.

Mike is a great interpreter of the data. You can visit with him in his Britton office, and he's also more than willing to come to your farm. He understands this is your data, so he maintains strict confidentiality. Your data is not shared with any other organization or individual without your consent.

Talk to Mike, to find out how you can fully utilize the data you already own.

Answer Plot® a hit

More than 70 growers attended the 2015 WinField™ Answer Plot Tour seven miles south of Britton on Aug. 25, a beautiful Tuesday morning. WinField Regional Agronomist Kyle Gustafson opened the tour by talking about the current state of the crops in the north central region of the country. Kyle explained how this growing season compares to past seasons and what management practices can still be employed

to add extra bushels to this year's crop.

I gave a summary of the Optimized Acre Versus Common Acre Plot, which demonstrates the difference in return on investment based on hybrid selection, nutrition, and certain management practices.

The walking portion of the tour was split into two discussion groups: agronomics and products. Kyle and WinField's Chris Redfield focused on insect management and nutrition among other topics throughout the demonstration area. Jared O'Malley, WinField's Regional Manager for Croplan Genetics, was assisted by Full Circle Ag's Russell Wright and Jim Pearson, as well as Brittany Hanson from Monsanto® in a tour of the latest genetic offerings from Croplan®, Dekalb®, and Asgrow®.

Stuart Eberhart and Allan Seibel both won YETI coolers after lunch was served. The day featured great discussions and questions from growers that will help make the plot tour an even bigger success in 2016.)

Gwinner Agronomy Facility a Great Asset

By Brad Lien, Gwinner Location Manager

Both customers and employees appreciated the new addition to our agronomy facilities in Gwinner this spring. Our building handles bulk chemicals, liquid fertilizer, bulk seed, seed treatment, and also houses a shop big enough to service our applicator fleet. It is a great asset for our location and our customers.

Increased efficiency was our goal in building this facility, and from what we're hearing from our customers, we succeeded. They really like the convenience of bulk chemicals and seed and the speed of our automated chemical loadout. I love organization, so what I enjoy is how this building enables us to organize our products for easy, quick access. For example, we've grouped our crop protection chemicals by

what the product does. So, if someone is looking for a product to kill volunteer corn, we have four options grouped together to choose from.

Through the summer spray season, we've been filling all the trucks at the outside station. Now that the pace has slowed down, we'll bring the main water line into the building as well, so we'll be able to fill two trucks at once—one inside and one outside.

Our KSI continuous-flow seed treater was up and running this spring before the building was completely finished and performed as advertised. Finally, with our new shop comes our new shop foreman, Kevin Hamann, who is a great addition to our team.)



The Future of Antibiotics



By Chris Kassube
Nutrition Specialist

Some of you may have heard the rumblings about what the future holds for antibiotic use in livestock. For those who have and those who haven't, let me try to sum up the issue.

The FDA has moved to increase the regulation of antibiotic use in livestock. This regulation will not impact the use of Bovatec® or Rumensin®. Products that will be affected include Aureomycin and Aureo S-700®.

In the past, we have been able to use these products as we have seen fit to treat scours, coccidiosis, respiratory problems, anaplasmosis, foot rot, and liver abscesses. It has been a good practice with a group of new calves to use these at the beginning, and periodically thereafter to minimize health problems. This is a practice we will be able to continue, but it will require more planning and paperwork.

The FDA plan is set to take effect in December 2016. Your veterinarian will play a key role in the new system, so it would be a

good idea to meet with your vet and begin the discussion. You will have to put together a veterinary feed directive (VFD) for each group of cattle you want to treat. The VFD can be submitted electronically.

As a feed dealer, we are required to have paperwork on hand to support the amount of antibiotics we distribute. So for example, if your VFD is for 100 head, I can only give you enough product at the required dosing level for those 100 head.

There are some details yet to be worked out and the program may change somewhat, but this is basically what the future looks like. It will be inconvenient, but unavoidable. Stocking up will do you no good because no matter how much you have on hand, the vet will still have to sign off before you can use it.

The bottom line is, change is coming. Don't wait until the last minute to get ready for it.)

New Director Listening and Learning

In his first months on the Full Circle board, Jason Asche has tried to be a good listener.

“I want to soak in what goes on in our meetings, and get a feel for the other board members and how we work together before I offer a lot of input,” Jason explains. “I’m learning the process.”

Jason, who farms just west of Gwinner, will be speaking up in the future. “I feel it’s important to have a voice on the board for this part of the trade territory, just as every other area needs a voice,” he says. “We have different challenges in the northern area than farmers in the south may face. The cooperative also has some unique challenges here, as it can be difficult to recruit workers with Bobcat® in town.”

The Melroe plant that is a big feature of the Gwinner landscape is familiar territory for Jason, who worked there for 16 years as an engineer and engineering manager. That career is a source of valuable knowledge

to employ in his service on the Full Circle board.

“I have a lot of experience with process, management, and handling decisions that I believe will be useful on the board,” Jason notes. “I’ve been involved in a lot of big projects in the past, so multi-million-dollar projects are something I’m familiar with.”

As a board member, but more from his perspective as a patron, Jason is happy to see the improvements that have taken place in Forman to make the location more attractive to area producers. He believes that is a trend that he and the other board members will need to continue.

“Being on the board is a pretty big responsibility, especially with all the competing facilities planned in our trade area,” Jason states. “Working closely with management to formulate long-term strategy is where the board needs to be involved. We won’t have a lot of second



chances, so we need to make sure we’re doing our due diligence as we move forward.”)

Unusual Summer Fits Interesting Year



By Eric Medhaug
Forman Location Manager



By Jim Gallagher
Grain Operations Manager

The August rains we received were welcome, as precipitation has been spotty once you cross the North Dakota border. Hopefully, we’ll receive more moisture to give the crops a late-season boost.

It’s been an interesting and somewhat unusual summer, as we got all our ground piles picked up by the beginning of June, thanks to good rail service. We then took in roughly 3 million bushels of grain in Forman in June and July. Once again the two 600,000-bushel bins we added proved their worth as we handled the incoming grain this summer—another reason we’re constantly evaluating your need for additional speed and space as we make our plans for the future.

Fortunately, we’re back on the shuttle program, so we’ve been able to keep grain moving. We’ve loaded our last bean shuttle for the year and have very few soybeans left. Three corn shuttles are sold and scheduled before harvest, so that will leave us in good shape on the corn side as well. Now we’ll hope the railroads continue to perform through harvest.

We have some new faces on staff, and we’ve put together a solid

outside crew to take care of you this fall. We’ve upgraded equipment and done extensive work on several conveyors in preparation for harvest, so we’ll be ready when you get rolling.

Markets struggling

Marketing the grain we have received has been a bit of a challenge this year. Last year, the issue was transportation. This year the railroads have been performing, but the export market has collapsed. The numbers I’ve heard put corn down 80% and beans 40% from 2012 levels. China, our largest trading partner, has been causing much of the chaos. Their sagging economy has basically taken them out of the market. A strong U.S. dollar hasn’t helped, either.

With that said, it has been tough to find destinations for our shuttles—but we have found them. We’ve actually been sending shuttles to Decatur, IL, the heart of the Corn Belt. It’s an unusual situation. Nevertheless, we’ve shipped a lot of grain and worked hard to remain competitive with local processors. We’ve put ourselves in a good position to handle your harvest this fall.)

Agronomy Upgrades Focused on Future



By Ehren Grupe
Chief Operations Officer

I would like to begin by saying thank you for your continued business and hard work this past year. Without our patrons and staff, we would not have accomplished our goals set forth in the budget. The weather, as always, holds the trump card in this high-stakes poker game. Granted, there are pockets seeing some heat stress, but overall it appears to be a great crop in our trade territory.

The Gwinner chemical/seed shed has been a great addition to that area. We increased our liquid fertilizer capacity by 300 tons and have the room to add another 100 tons in the future. We are now able to offer multiple bulk chemical products with the capability to add more. Three new 4,000-bushel seed bins will enable us to offer bulk seed next year. Even though we were not able to offer bulk this spring, our new, automated KSI treatment system has proven very efficient.

The Doland fertilizer plant is scheduled to be operational for fall of 2016, but we are crossing our fingers and hoping to push that date to this spring. As always, there is theory and there is reality, as this would have to happen within a tight timeframe and things have a way of being held up due to weather and a variety of factors beyond our control.

The plant is going to be all precast concrete and the walls are already going up. This process will move relatively quickly in comparison to a conventional building, but then will appear to come to a standstill. We'll be waiting on our 150-ton Waconia blending tower, which is scheduled for a February delivery. With luck and a relatively mild



winter, the millwright crew will be able to construct the tower this winter to be operational by spring. One way or another, we will be able to receive fertilizer by late fall or early winter.

Full Circle Ag is looking at other future projects in the Doland and Britton locations. We will be upgrading the Doland seed treater to a KSI system identical to the one in Gwinner. This will be operational by spring of 2016. We are updating our liquid fertilizer containment and capacities in Britton. When completed, Britton will be able to offer multiple products such as 28%, 10-34-0, and at least two other options. The total capacity after the update will be 350 - 400 tons.

We look forward to serving your needs now and in the years to come. Our board and management team are continually looking toward the future to efficiently serve those needs while remaining financially responsible. Remember, life can change in a second, so make safety a priority. I wish you a safe and bountiful harvest.!

Financing Program Continues Steady Growth



By Tammy Satrang
Chief Financial Officer

I realize I talk about our financing program frequently, and we all know the saying about beating a dead horse. But this horse is very much alive. More customers every year are taking advantage of the financing we offer through CFA, to the point that our loan volume in 2015 was \$8 million.

The basics of the program have changed relatively little since we began offering it in 2013, except for the fact that the interest rate has become even more attractive—now at 2.5%. The application process couldn't be much easier. It's all done online through one of our certified lenders—Kelli or me—here in the Britton office. For Input Advantage loans of \$350,000 or less, all that is required is a credit application, a credit reference, and a collateral worksheet.

We often receive same-day approval. For loans over \$350,000, tax returns and balance sheets will also be required.

Our customers looking for an alternative source of funds to help finance their operating costs have found CFA financing through Full Circle to be convenient and easy. And, we make sure you gain advantage of all the discount programs we offer on input purchases.

With more than a 60-year track record, CFA is a trusted financing source. I've worked with a number of programs over the years, and CFA is top-notch—good for the producer and good for the co-op. If you're looking for a financing option, consider CFA and Full Circle.!



Tomorrow's Vision Today

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Deciphering Your Data



Don't Let Prime Prices Pass



By Darren Medhaug
Energy Manager

If you haven't filled your diesel tanks for harvest yet, there are two good reasons to do so right away. First, we haven't seen prices like these since 2009. Second, the refinery in Grand Forks is completely out of diesel already. Don't wait too long.

Still on the topic of diesel, I put together a list of people who want to switch over to #1. I will take care of that list on Oct. 15. That ensures that those who signed up will have #1 when they need it. Let me know if you want to be added to the list, and remember that #1 was pretty hard to come by at times last year.

I've also started a list of people who want a preseason dryer checkup. Call Jim Lefor at 605-209-0023 to be added to that list. Also, if you need someone to service—or just look over—your furnace or shop heater before the weather turns, we do it all, from radiant tube to

boilers and in-floor systems. This is a good time to take care of any issues before you get busy with harvest and the cold weather sneaks up on us.

Bulk oil deliveries are scheduled for the last week of October and first week of November. This will be the best pricing of the year, so this is the time to get your oil totes filled. If, for some reason, you don't need the oil at that time, call me and we'll take you off the delivery schedule this time around.

Finally, I want to remind you that I send out a weekly energy e-newsletter with pricing, graphs, the market outlook, and market news. I've received a lot of positive feedback from those who are receiving it. If you want to get the newsletter, email me at medhaugd@fullcircleag.com. I'll be happy to add you.)

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