



WEST-CON

Update

FALL 2014

MEET THE NEW
Agronomists

The Appleton
PROJECT

Planning Ahead
Market | Fertilizer | Hauling Needs & More

contents

- 3 The Appleton Project
- 4 Appleton Expansion Meeting
- 5 Meet your Board
- 6 Connecting with Domestic and Export Markets
- 7 Making Grain Marketing Easier
- 8 From the Office: Credit Desk
- 8 New Faces: Amanda Kraft
- 8 Carol DeBuhr Retires
- 9 Utilizing Local Data in your Farming Operation
- 10 Agronomy News: Soil Sampling
- 11 Nitrogen Stabilizers and ESN
- 12 Fall Fertilizer: Market and Fertility
- 12 Customer Appreciation Event
- 13 What's New in Kensington
- 14 Meet the New Agronomists
- 15 Twin Brooks Update
- 16 Credit Report
- 17 Fall Planning
- 18 Preparing for Fall
- 18 Anticipate your Hauling Needs
- 19 In the Community
- 20 "Capture It" Photo Contest Winner

Planning *for the Future*

Fall is right around the corner and as of now, providing that we get some very nice weather in September, we should have a very nice crop. With this in mind, one of West-Con's biggest concerns this fall is liquid petroleum gas (LP) for our dryers. In 2013 we dried 10.3 million bushels of wet corn. To do this we used in excess of 1.2 million gallons of LP and liquid natural gas. When we are running at capacity, we burn 2,500 gallons per hour which means we need a transport load of LP every 3.6 hours 24/7.



Dean Isaacson
General Manager

With the Cochin Pipeline reversal no longer in service, our options for LP are truck or rail. We have added another 120,000 gallons of storage which brings our total storage up to 240,000 gallons. Storage installed cost us \$4.38 per gallon or \$525,000. We have also committed to a lease on liquid natural gas (LNG) storage and a vaporizer for a cost of \$45,000. We have contracted 200,000 gallons as an alternative to LP. We are still communicating with our suppliers to make sure they have made arrangements to supply our needs. As of now, we are fairly comfortable we are in a good position.

How important was the Cochin Pipeline to the Midwest? It delivered 323 million gallons in 2013. This would equal 36,000 trucks or 10,420 rail cars of LP in Minnesota. An estimated 40% of our LP was received through the Cochin Pipeline. Our nearest terminal on the Cochin was Benson which holds 1.5 million storage. When this is empty the only feasible option is to refill by rail. With this in mind and a four-week drying season, supply could easily be an issue on a year with very wet corn. Of the five Cochin terminals, only Benson, as far as I know, is slated to be converted to rail. With all this in mind there will be an increased demand on other supply options. Here is something to think about in the Cochin market area: there was an estimated 230 million gallons of LP used for grain drying in 2013. Even scarier, it is estimated that 60% was used in four weeks of the peak drying season.

With this in mind, I do believe that in rural America there needs to be some substantial investment made for peak agriculture demand. I do not see anyone solving the problem for us. I do believe it will take cooperatives and producers working together to secure supply for peak demands.

Why do I believe this? Our only source of receiving any volume of LP is by rail. Railroads invest based off of consistent demand. This means we will be on our own for peak periods.

For fall, overall we should be in great shape. We have freight booked, have LP and LNG contracted, have added five more hoppers for grain, and our storage is empty and dryers are ready. Our goal is as always to be competitive and offer exceptional service.

"Planning for the Future - Appleton Project" continued on page 3

The Appleton Project

Appleton 110 Car Expansion – As we look forward to the future, the world is changing and our goal is to get to as many of those destinations as possible. During this past year we have had discussions with the TCW RR which services our grain facility in Appleton and the Union Pacific RR which has a connecting point with the TCW in the Twin Cities area. This would give us another railroad besides the BNSF for future movement of grain.

The Union Pacific (UP) RR and the TCW RR would give us many new domestic and export alternatives. The UP has over 16,500 hopper cars. This past year they have added over 200 new locomotives. Their capital investments for 2014 is over \$4 billion dollars. The UP will give us access to 191 domestic locations and 32 Mexico destinations.

What would this expansion do for West-Con and its members? As I have already pointed out, it does open West-Con up to have a fair shot at most domestic and export markets available by rail. This RR access should benefit all by accessing more competitive car values at times. It would also open us up to some new fertilizer markets and increase our dumping, drying, storage, and load out capacity. This additional capacity will take pressure off of Holloway, enhancing our member service both in Appleton and Holloway. Along with enhanced service, our goal will be to increase market share in our present market territory as well as expand our trade territory.

Strategically, to have access to the BNSF, TCW, and the UP RR long term would make for a very good future for West-Con and its members. This project will not only give us good market access it will enhance our service for our members and insure that on a long term basis we will be competitive in the future. With the additional market access, our expansion should benefit all three railroads, West-Con and our members.

Lets talk a little bit about our two present facilities on the BNSF. We do not want to by any means, forget about the BNSF; they have been very good partners of West-Con. In fact they were instrumental, and very supportive, when we built our first large unit train receiving fertilizer plant in Holloway and with our other projects. Today we have two grain 110-unit facilities, and two liquid fertilizer and two dry fertilizer unit facilities on the BNSF. Contrary to what you hear, their service is very good but their car values are very high, partly driven by the open market. The BNSF has

been a very good partner and they still are very strategic long-term for West-Con.

When we look long-term, whether it is by tiling, irrigation, genetics and/or improved management practices, producers with high priced land are producing more with their present acres. In the near term, these changes do add many new bushels in our market area that we need additional markets for. This makes for another good reason to invest in fixed assets that access another railroad.

Our Board of Directors did approve the expansion at our June 9th board meeting. After several months of due diligence, the decision was fairly easy. Whenever we do a large expansion we bring outside consultants to review our project and make sure that we are making the proper decisions.

"As we look forward to the future the world is changing and our goal is to get to as many of those destinations as possible."

The project will have a total cost of \$18.5 million. We will upgrade the present facility in Appleton, which is 1.5 million bushels of space, and add an additional 1.2 million of

space to give us total storage space of 2.7 million bushels. We will put in a new dryer at 7,000 BPH and two pits that will have capacity of 20,000 BPH each, and keep our present pit, which is 15,000 BPH. Our rail loadout will be 80,000 BPH. The present and new facility will have full automation and a dust control system installed. We will also add additional track to handle the 110-car unit trains. This facility is scheduled to be done by August 15th of 2015, bringing a very modern and efficient facility, which in the long-term will be very beneficial for West-Con, its members, and all producers in the Appleton area.

We look forward to this fall and promise you that my management team and staff are up to the task of helping you get your crop out in the most efficient way possible. If you have any questions please give me a call. As always, I want to thank you for your continued support.



Appleton 110-car expansion meeting and other discussions

BY DEAN ISAACSON

On Thursday, August 28, 2014, West-Con held an informational meeting in Holloway at the community center to review our 110-car expansion in Appleton. Approximately 30 producers showed up and there were some very good questions.

Paul Mattson reviewed the Appleton project, discussing our business relationship with the TCW RR and the Union Pacific with this project. The new project will give us many additional domestic and export destinations. Mattson also discussed the benefits of the project for West-Con, and its members.

The risk issues and financing of the project, our due diligence process and how we put the project together for the board of directors were also discussed. Outside consultants were brought in to review the project, and make sure we were making good business decisions that would be very strategic long-term.

Following the expansion project discussion, fall propane issues were examined.

Charlie Head gave an update on Fall fertilizer and transportation issues we are dealing with.

Those in attendance also learned we would be passing on a Domestic Production Activities Deduction of \$3,426,770 to our members who sold us grain in 2013. We will be distributing at a rate of .014089% per dollar. Soybeans at \$12.00 would figure out to 16.9 cents per bushel and then adjust to your tax rate. We also will pay on corn and wheat.

If anyone has any questions please give me a call at 320-394-2171 ext 232.





Meet *your* Board

Jason Lund, Joe Stelzig, and Pat Ascheman

This is the first of a three part series to highlight your Board of Directors at West-Con. In each series, we will focus on three directors, one from each of the three areas that make up West-Con's nine-member board. At each annual meeting, the election of directors is held, electing one member for a three-year term from each area.

Jason Lund and wife Kelly live on a farm north of Madison. They have two children; Dayna a freshman at South Dakota State University, and Brandon an eighth grader at Lac qui Parle Valley High School.

The Lunds grow corn and soybeans and are shareholders in Southern Minnesota Beet Sugar Cooperative (SMBSC).

Jason is currently serving as secretary-treasurer on the West-Con Board of Directors; a position he has held since 2007.

"I wanted to serve on the board to represent the southern region of the co-op. I have been a member of the co-op since the 80's and felt I could add some input to the decisions that were made. I feel we (as a board and also patrons) have built a very strong and sustaining cooperative," said Jason. He has been a member of the board for 10 years.

"West-Con's direction is forward: keeping up with new technology and equipment. All divisions of West-Con are at the forefront in regards to their particular business. This is made possible by our management who recognizes opportunities and do research before things are presented to the board."
— Joe Stelzig

Joe Stelzig and wife Annette have been married since 1967 and live on their 100-plus year old family farm southwest of Danvers. They have two children. Daughter Jennifer is married and lives in the Black Hills of South Dakota, where she teaches band in the Douglas School District. Son Chad lives in Savage and is married with two children. He is an electrical engineer with Digital Imaging in St. Paul.

Joe farms 1500 acres of corn and soybeans, 500 acres of which are irrigated.

He has served on the West-Con board for 25 years. Three of these years serving as board chairman. "All of the directors of West-Con are well qualified and have the skills needed to recognize facts and make decisions on any issue. In this day and age all farmers need to be up to speed on many fronts. Serving on the board is an extension of farming on a broader scale. West-Con has many young producers who would make good directors," Joe stated about serving on the board.

"I agreed to serve on the board mainly to learn more about my co-op (which I did), and at the same time contribute what I could to the decision making at West-Con. A co-op allows both small and large producers to be able to do business with up to date equipment and access to knowledgeable people. This is made possible by having a large group operate as one. At the same time, equity is built in the co-op and is redeemed as the co-op prospers and is able to pay it out."

Pat Ascheman has lived on a farm north of Holloway for the past 48 years. He and his wife Donita have three children: Grant a junior, Sophie a sophomore, and Karly an eighth grader at the Benson High School.

Pat grew up farming with his parents, milking cows and raising corn, soybeans and wheat. He stopped milking in 1995 and has continued growing corn, soybeans and wheat in addition to edible beans and feeder cattle occasionally.

Pat has been on the Board of Directors at West-Con for the past eight years and has been the vice chair for three years. The board consists of a broad spectrum of producers.

"I agreed to run for the board because I felt I could compliment a good group of decision makers who have the best interest in the operations of West-Con" Pat said about being on the board. "I believe the value of a co-op is that we are able to have facilities with up to date capacities serving area farmers. The patrons have a say in the operation, participate at least annually in meetings and acquire equity. I feel the patrons should be proud of West-Con and all it offers the growers in our area."

Connecting with more domestic and export markets

BY PAUL MATTSON

We have all heard the saying the more things change the more they stay the same. In our previous newsletter, you will recall most of my article was about the high cost of freight and the impact it was having on our local grain prices. As we moved into spring and summer we were anticipating an increase in rail velocity and therefore turnaround times. While we have seen some improvement, we have not returned to turnaround times that we as customers would expect. The rail road industry, due to a number of factors, has continued to struggle to increase its operating speed, and that has led to record high freight cost for the upcoming harvest.

West-Con has secured many cars for harvest, but we never know for sure how many we will need. Fortunately we will be starting out the harvest season with very little old crop inventory and feel we are well positioned to serve all of your harvest needs.

One of the keys to serving you this fall will be ensuring we have enough dryer fuel. We have doubled our LP storage and once again contracted a LNG vaporizer and storage system, giving us a second fuel source. In addition, we have contracted a large amount of gas and worked with our suppliers to be as secure as we can that gas will be available when it is needed. However, this will be the first year that we have gone through a corn harvest without access to the Benson pipeline. Last year some gas was pushed through that line, but this year there will not. We feel we have made the necessary adjustments to assure you that we will have gas. Time will tell.

Construction has begun on the Appleton elevator expansion. West-Con is very excited about this project. We are adding 40,000 bushels per hour of dumping capacity, 7,000 bushels per hour of drying capacity, and 1.2 million bushels of storage capacity. However, what we are most excited about is having access to more railroads. We can never predict the future, but this will be a great asset for West-Con to spread its risk out in the future. It will connect us with many more domestic and export markets and give us access to another rail shuttle system. We will no longer be forced to have all of our eggs in one basket.

Storage and drying charges should be set by around the 15th of September. It will be very unlikely that drying charges are reduced from the five cents per point we have had the last few years. A more likely scenario would be a 10% increase leaving drying charges at 5.5 cents per point of moisture removed. DP charges will be five cents per month. Please take a look at our website for a complete description of all discounts and storage charges.

Most importantly please take your time, enjoy the harvest, and stay safe! Thank you for your patronage and we look forward to serving you.



MAKING GRAIN MARKETING EASIER

BY CHRIS AASLAND

In the last several years there has been some weather anomaly or scare that causes the markets to trend higher. Sometimes it has affected the crops in our local area and sometimes it has been in another portion of the country. With the hybrids and management practices today's producer has at their disposal, the one question that kept eluding us was how big of a crop can we potentially grow with near perfect weather conditions. So far it is looking like 2014 is going to be that year. Unfortunately, here in Minnesota we are dealing with corn and soybeans having a late start, drowned out spots and un-planted acres. Other parts of the country are looking to produce their best corn and soybean crops ever on their farms.

The market has reacted lower, anticipating a large supply of grain harvested this coming fall. We have been talking with producers who still had 2013 old crop corn and beans to sell, and those who feel they don't have nearly enough new crop forward priced. If you fall into that category, I'm sure you are asking yourself "How could I let that opportunity slip right through my fingers." In the years I have been helping people market their grain the one thing I see that ends up hurting the most financially is the lack of a proper plan in selling the crops you have produced. It is a difficult part of the process of farming and some people don't like marketing their grain. I agree it is not easy, but it has become an important part of running your business.

I would like to share with you some commentary from Kevin Van Trump. Kevin produces an informative marketing newsletter that we receive here at West-Con and he recently had an excellent article about having a good marketing process.

What You Might NOT Realize About Your Marketing Efforts???

As I have said time and time again, good investing, just like good marketing is ALL about the "process." It's not about getting lucky on occasion or thinking you have a golden touch. To consistently be a good marketer you have to build a bullet-proof plan and process for your specific operation. This process can include elaborate hedging strategies or be based excessively on cash sales only. What the process cannot be though is one based on "gut-feelings" or simple "hunches."

Certainly this process has to be well thought out and based on CURRENT modern market tendencies, but at the same time it has to be easy for you to navigate, easy for you to understand and most importantly easy for you to execute. We have been fielding call after call as of late from producers who are in a bit of a panic because they didn't follow our lead when we sold out of old-crop bushels and didn't follow our lead marketing their estimated new-crop production

The bottom-line is they didn't buy into our "process" and don't have one of their own to follow. I'm not trying to brow-beat anyone, but I felt the need to point out the obvious. I played sports at the highest level and have friends who made long-term careers out of either investing in the markets or competing as athletes

One thing I can assure you, the most successful and those with the most staying power had the BEST "process." Trust me when I tell you the faster the ball is moving the more important the "process" becomes. In case you haven't looked around in a while, this isn't "Little League" any longer. You can't just show up at the field and expect to be a good player. The game has changed, you're in the Big Leagues now and the ball is moving extremely fast, the competition is fierce and you need a good "process" in place to compete.



Five Questions I Ask Myself When Doing My Own Mid-Year Marketing Review & Analysis – I suggest you take the time to do the same.

- What of my "process" has worked as expected?
- What has caught me by surprise?
- What changes are implied moving forward? In other words how has the game changed most recently since my last review?
- What are the biggest risks moving forward and what could change my mind in regard to these risks?
- What has now become my overall objective?

I think Kevin's comments provide a good reality check about the market environment we are in. If you would like more information about Kevin's services please contact us here at West-Con for more information.

Please contact myself, Paul, Jake, Joe or Kevin with any of your marketing needs and thanks for doing business with West-Con. Have a safe harvest season.

Credit Desk BY AL CONNELL

The fall grain harvest and fertilizer season will be upon us shortly. A reminder to all patrons, when you are buying agronomy products or delivering grain, be sure to tell us of any splits at the time you pickup or deliver to West-Con. It is much easier to get our invoices, or grain assembly sheets, correct when we have the appropriate splits at the beginning. Be sure to specify the people and the split percentages.

When delivering grain, please tell the scale operator if the load is for contract, price later, open storage, etc. In addition, please specify what to do with contact over runs. If you do not give this information to the scale operators, it automatically goes on price later contracts.

We do not issue grain checks until they are requested. Contracted grain checks will be made when the contract

is full. Checks can be picked up at the office or mailed to you. You can call the office in Holloway or Twin Brooks to request a check, or have the scale operator mark it on your last scale ticket.

When harvest is over, all drying and freight charges will be billed to anyone who has delivered grain placed on storage or delayed pricing. It is our policy that all drying and freight charges will be paid right away. If you choose to wait until you sell the grain, you will be paying our normal finance charge of 1.5% per month or 18% annually. There is no exception to this policy.

I would like to thank you for all the business that you have done with us so far this year and wish everyone a safe harvest.

NEW FACES

Welcome to West-Con, Amanda

The West-Con team welcomes Amanda Kraft. She grew up on the family farm northwest of Correll. Her parents Don and Roxanne raise beef cattle, corn, and soybeans. She has a twin brother, Evan, and a younger brother, Preston. Amanda prefers to spend as much time on the farm as possible helping her dad with the cattle, planting, and harvest. Spring and especially fall are her favorite seasons, as she likes to be in the tractor!

Amanda's hobbies include deer and turkey hunting and year-round fishing with her brothers, the outdoors, preserving the family farm, having fires, and riding horse. She also enjoys playing volleyball and darts and watching baseball and softball. Amanda is active in her church teaching Sunday School and helping with events. She likes to participate in area community activities and enjoys meeting new people. Amanda loves a challenge and learning new things. "I am excited to be a part of the West-Con team and look forward to my future here!" she said.



Congratulations on your retirement, Carol!



Carol joined the West-Con staff in April 1999 and has been happily greeting patrons for the past 15 years. Carol has enjoyed answering phone calls and greeting visitors and patrons as they walk in the front door.

When asked what she will be doing after retirement, she says she will start working on her "To Do" list. "It's been building for a number of years, so it is a big list!" she said. She also plans to add more flowerbeds to their farm home and at the lake. One of her other hobbies is collecting recipes. She has shared her love of baking with the employees here at West-Con for many years. We will certainly miss all the goodies!

Carol and Ken plan to spend more time with family in Arizona and do some traveling. A trip to Alaska is at the top of places to visit. Carol has many things to keep her busy and so we wish her all the best!

UTILIZING LOCAL DATA IN YOUR FARMING OPERATION

BY CHUCK NOLTING

How much could you benefit from being able to conduct several different research trials on your own farm each year? The fact that many of you are already doing this on some scale provides us with an answer to this question. Whether you are evaluating the benefits of a fungicide application in corn or soybeans; experimenting with different planting populations and fertility programs; or simply comparing new corn hybrids or soybean varieties against proven past performers; having access to reliable and accurate local information to help you make good decisions can be invaluable. At West-Con we are very fortunate to have the resources, personnel and partners to conduct several different research trials on our own farm.

Many of you are familiar with the Winfield Answer Plot we have had the opportunity to host at Holloway for several years and hopefully you took advantage of this by attending the September plot tour. In addition to showcasing several different corn hybrids and soybean varieties, Winfield conducts several management trials evaluating plant population; fertility programs; starter fertilizer and plant growth regulators; fungicide applications; weed management and others.



In addition to the Winfield Answer Plot, West-Con is fortunate enough to own approximately 150 acres adjacent to our Holloway office on which we conduct our own local research and yield trials. North of the office, on the west side of the road, you will find our corn and soybean yield trial plots. Spread across 30 acres selected for uniform soil texture, moisture conditions and topography, we are comparing 40 corn hybrids and 32 soybean varieties. On the north edge of these trials we are also conducting a population response trial.

On the east side of the road, West-Con conducts a number of fertility and fungicide trials. Fertility trials include starter

fertilizer and plant growth regulator comparisons in corn, foliar feed fertilizer evaluations in corn and soybeans, and chelated iron response in soybeans. We also have a single for IDC plot that provides great visual differentiation between soybean varieties.

Fungicide trials are being conducted on both corn and soybeans comparing response to different fungicide products, application timing, and combinations of fungicides and foliar fertilizers.

If you have visited the West-Con plots or Winfield Answer Plot this year, we hope you enjoyed seeing the different demonstrations and trials firsthand. If you have not yet visited the plots but would like to, please contact your agronomist to arrange a tour. These plots are a great source of information from local research designed to help you make decisions for your farming operation. Results from the West-Con plots and research will be included in future newsletters. If you have any specific products or practices you would like to see included in West-Con's plots or any research suggestions, please let us know. I wish you a safe and successful harvest season and sincerely thank you for doing business with West-Con.



AGRONOMY NEWS

SOIL SAMPLING

BY PAUL ANDERSON

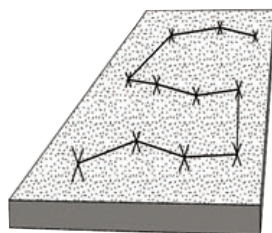
With commodity prices where they are at today, soil sampling can help place fertilizer where it is most important to maximize yield. Given that soil test values can vary between seasons, one approach as to when samples should be taken is during those periods when varieties hit average. These periods are generally between September to November and March to April. For ease of getting results back in a timely manor for fertilizer application, we recommend fall sampling. Most of the time it takes three to seven days to get results back from the laboratories so plan accordingly.

Soil sampling should be done every one to three years depending on crop rotation and/or manure or compost application. If you don't remember the last time your fields were sampled, consult with your agronomist and they can look it up for you.

There are many ways to collect soil samples. The main ways West-Con collects soil samples are composite, zone, and grid.

COMPOSITE SAMPLING

Composite sampling is used for a whole field approach. A good place to use composite sampling is if there is not lot variability across the field. We use GPS to mark the spots for sampling so that in the future we can come back and re-sample the same spots to check if we are building fertility or if we are mining nutrients out of the ground.



**Example:
Composite Sampling**

ZONE SAMPLING

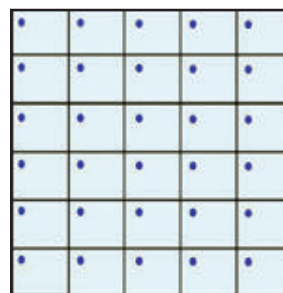
Zone sampling is when we take a soils map and a yield map and overlay them to make zones. This requires you and your agronomist to sit down and discuss the zones in the field. Once the zones are set up, we can sample and wait for the results to spread fertilizer accordingly. Most fields will get setup into three or five zones.

If we say zone one is the best productive and zone five is the worst we can make variable rate maps for spreading

to make sure we put the correct amount of fertilizer on the more productive ground and less where it is not as productive. The zones can be setup before harvest takes place if you use last year's data. That way when harvest is underway you can just call your agronomist when the field is done to send out the sampler in order get the results back as soon as possible.



**Example:
Zone Sampling**



**Example:
Grid Sampling**

GRID SAMPLING

Grid sampling is where you take a field and lay a grid over the top of it. Grids can be done in almost any size but the most common is three acre grids (which is a requirement for Monsanto's Field Scripts program). Each zone is sampled by itself and analysis. Once we get the results back from the laboratories we can make the correct recommendation for that

grid. We then can make a map for variable rate application of fertilizer for better production on yield.

The picture is an example of a grid set over a quarter.

If zone or grid sampling interest you West-Con have a program called Yield Max that comes with many other benefits that you can talk over with your agronomist. There are other things that might need soil test for one is if you have not had a nematode test done and you think you might be having problems with nematodes. Another sample we can do is a deep soil sample if you are wondering about your residual nitrate-nitrogen levels in the soil.

In closing by using one of these methods it will help you determine your fertility level in your field to reach top yield potential of next year's crop. Have a save harvest.

NITROGEN STABILIZERS AND ESN

BY RYAN LUNSER

As fall is drawing near, we are starting to plan for next year's crop. An important part of the planning is deciding on a fertilizer program. The question often asked is, when should I apply my nitrogen? Nitrogen is one of the most important fertilizer components and yet has the most risk of loss. It can be lost through numerous pathways that include volatilization, denitrification, leaching and runoff. With this year and all the moisture we received, it has been a perfect storm for nitrogen loss. The best way to manage nitrogen loss is through multiple applications of N. But, for those who take one pass across the field approach, or even for those who split applications of N between fall, spring and in-season, using a nitrogen stabilizer or ESN urea should definitely be considered.

Nitrogen stabilizers use two different approaches to protect nitrogen loss. The first is a volatilization inhibitor; this form impedes the action of urease. The naturally occurring process of urease is a soil enzyme that converts ammonium to ammonia. Once converted into ammonia, nitrogen is lost through volatilization. Agrotain is type of stabilizer that uses a volatilization inhibitor approach to reduce nitrogen loss.

The second form of a nitrogen stabilizer is a nitrification inhibitor. This type of stabilizer works by preventing the first stage of nitrification, which is the oxidation of ammonium NH_4^+ to nitrate NO_2^- . To prevent the oxidation, the stabilizer prevents soil microbes from converting ammonium to nitrate. Once ammonium is converted to a nitrate, soil bacteria can undermine the available nitrate that the plant needs. These types of nitrogen stabilizers are also referred to as bactericides. Instinct and Agrotain Plus are a couple different options that utilize a nitrification inhibitor approach. Instinct is a stabilizer that can be impregnated into dry fertilizer applications. While Agrotain Plus is a UAN nitrogen stabilizer, both of these forms of stabilizers are a great option to help reduce nitrogen loss, especially for fall application of nitrogen. With fall application, the risk essentially comes from the amount of time between application and the time the plant needs the nitrogen. If it is fall applied, you are potentially looking at nine months before the plant is in the crucial stage where nitrogen uptake is at its peak (Figure 1). Also, with the option of a liquid or dry nitrogen stabilizer it gives you flexibility for your operation.

Another option for nitrogen management is using ESN urea. ESN is a urea granule of urea encapsulated in a polymer coating that allows the slow

release of nitrogen. ESN is activated by temperature and moisture.

When temperatures and moisture are favorable, water is able to penetrate the coating and dissolve the urea. Once dissolved, liquid nitrogen is released through the polymer (Figure 2).

Since ESN is activated by temperature and moisture, it is a great choice for a fall fertilizer. You can apply it in the fall with little risk of loss because generally in the fall, temperatures are low and rainfall is less likely. So, a good option would be to apply part of your total nitrogen application in the fall as ESN and come back in the spring/summer to apply the rest of your nitrogen. This way if the spring causes issues where your nitrogen can be applied before planting, you still have nitrogen being released by the ESN to help kick start plant growth. This allows for more flexibility when adverse situations arise.

In all, whether it be nitrogen stabilizers or ESN, they both are very good options for helping reduce risk of nitrogen loss. In fall application of nitrogen, either a stabilizer or ESN should DEFINITELY be considered. Due to the simple fact that there is such a long time period between application and use and the many factors that could cause nitrogen during that time frame.

I would like to thank you for your support and I hope you have a safe and profitable harvest. I look forward to being part of the West-Con family and meeting many of you.

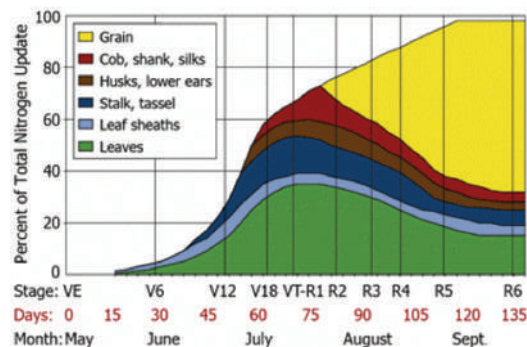


Figure 1

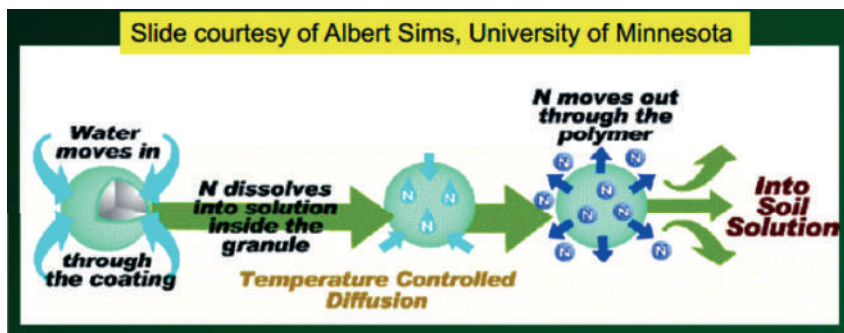


Figure 2



West-Con Customer Appreciation Event

West-Con patrons were able to receive a pork chop dinner and be entertained at our 31st annual customer appreciation event held at the Swift County Fair Grounds Thursday, September 11.

Attending this event were patrons from the West-Con trade area along with board members, employees and vendors. West-Con served its traditional pork chop dinner along with all the fixings, and then patrons were able to be entertained by comedian, John DeBoer.

John DeBoer grew up in Moorhead, and is a corporate comedian out of Minneapolis, with agriculture related experience. His twisted observations of life, the world around him, and particularly how he has managed to screw it up, have earned John a reputation as one of the most consistently strong acts wherever he goes.



Fall Fertilizer: Market and Fertility

BY CHARLIE HEAD

I am sure everyone is aware of commodity price pressure on soybeans and corn. What does this mean for fall fertilizer prices? How should I plan for fall and spring seasons? Will transportation and logistic issues facing grain markets effect fertilizer too? These are all important questions I will try to address in order to help you make the best decisions.

The good news is that fertilizer prices this fall are at the low end of the last five year average. They are also very similar to the prices you probably saw last fall. Today's fertilizer prices are much closer to a manufacturers actual cost of production than they were three years ago. This limits the downside risk of price declines to a much smaller amount when making a buying decision. Nitrogens, phosphates and potash are currently \$200 to \$300 per ton lower than they were three years ago!

For those of us in the Northwestern corn-belt, transportation remains a critical factor in consistent supply of fertilizer. A lot of our market is supplied by the furthest north barge port on the Mississippi River in Minneapolis, Minnesota. The north end of the Mississippi River has been plagued recently by fluctuating water levels and unpredictable "river freeze up" and "river open" seasons. Rail and truck transportation has also been seasonally challenging to fertilizer and many other products. Because fertilizer volume on the rail system is a small percentage of overall rail volumes, it often lacks priority in an already congested system. In the past two years, transportation logistics have been the cause of more price variability than actual production cost influences. Proper pre-season planning by your cooperative and yourselves for your own fields will be essential to assure both good supply and pricing.

Is fall a good time to buy fertilizer? Most years, when talking just price, the answer is yes. But more importantly the question should be; how does this fit into my overall cost of production and impact on yield? The three most important factors in crop production are; fertility, seed bed preparation and timing of planting. Most years optimal planting time in the spring can be measured in hours and days not weeks. Everything that we can do to be prepared for the optimum planting time needs to be started the fall before. Each day of fall fertilizing is one additional day of spring planting made available. As everyone has experienced, a missed day of planting in the spring can turn into a week or more of being rained out of a field.

I hope that this helps in understanding some of the factors that go into creating proper timing and fertility in your fields, and you will include fall fertilizer, especially phosphate and potash in your plans. Purchases and application of fertilizers needs to be a year round process in order for you to maximize yields and efficiencies.



WHAT'S NEW IN KENSINGTON?

Continuing growth

BY SCOTT MATTOCKS

Hello from the Kensington location! As you read this we are looking for ways to put this crop year behind us with challenging planting conditions, unruly weed control in areas, and unfavorable markets. The optimistic side of me looks forward to the potential yields yet for this season, at least on the acres that were planted.

With the season starting the way it did – stretched out by wet conditions – we were challenged to get fertilizer out timely, allowing growers to get their seed in the ground before the next rain event. As most are aware, we added a blending tower to our location over the last winter with the project costing about \$1.2 million. For us, this spring went well and was a good test for the new tower despite the way the season was stretched out. This system is one of only a dozen or so in the country. It is a fully automated system, once set in motion on a blend. The only operation that is manually controlled is dumping into the truck or spreader, with a semi load taking roughly 10 minutes from start to finish. The blend consistency is very good, with impregnating working very well. In most cases there was still a little dust when finished, which means less hang ups or plugged tubes on the machines. With the speed of this system we very rarely had machines waiting at the field, commanding better acres per hour we were able to get done. My calculations show we gained about four to five acres per hour. I know that doesn't sound like a lot, but over the course of the day it allows us to apply another 80 to 100 acres or more. With the added production, the speed of the tower also cuts the wait times down for the growers that pick product up at the plant. This will continue to improve as we get more comfortable and accustomed to this system.

This fall, we will operate the same as we always have, or hopefully better. I know commodity prices are lower than we'd like, but we still have to start out on the right foot for the 2015 crop year. So I would anticipate a normal season for putting out P and K. Because in the end, we still need more bushels at the lower prices. With that we are gearing up, and going through the trucks, machines, and spreaders to have them ready when called upon. Also if you have any soil sampling that needs to be done,



don't hesitate to call and get that lined up a head of time, that way we can get the sample done in a timely fashion.

We hope to continue growth in Kensington, finding ways to better improve the quality and services we have to offer, as well as expand on the list of services and products. We are exploring different options or directions to go next for what we need here in Kensington. With the support of our growers and the continuing business, we will continue to grow. So thank you to all our customers, you are the reason that we have the opportunity to expand and grow and will continue to do so.



New Faces

AT WEST-CON

Meet the new Agronomists



RYAN LUNSER

Ryan grew up in Foley, a small town northeast of St. Cloud. Working on his grandpa's farm and a local dairy farm throughout high school sparked his interest in agriculture. He then attended North Dakota State University to pursue a degree in agriculture and graduated with a bachelor's degree in Ag Economics with a minor in Ag Business. Ryan will be located at our Holloway office as an Agronomist, where he is excited to be working alongside Chuck and Justin and the rest of the Agronomy Department.

Ryan has now made Montevideo his home and in his spare time he enjoys boating, camping, fishing, hunting and snowmobiling. Welcome, Ryan Lunser!



DAVID SASS

David is a graduate of Stanley County High School in Fort Pierre, South Dakota. After high school David attended Lake Area Technical Institute in Watertown, SD. While at LATI, David worked in grain handling and did an agronomy internship in Pierre, SD. After graduating from Lake Area Tech with an Ag Business degree, David went on to be a territory account representative for an agriculture product company based out of Watertown. For the past two years David has been an agronomist in Farmington, Washington, working on crops ranging from corn and wheat, all the way through to lentils, field peas and garbanzo beans.

David is moving to Milbank with his wife Hillary and his infant son Cameron. In his spare time David enjoys family time, boating and doing family activities outdoors.



JUSTIN GOLDEN

Justin grew up around Danvers. He has been around agriculture his entire life and graduated from Benson High School. He attended Ridgewater College for Ag-Business with an emphasis in Agronomy as well as GPS/GIS technology. In his spare time Justin likes to be outdoors, hang out with friends and fish. Justin looks forward to his new opportunity with West-Con and continuing his career in the agriculture industry.





Twin Brooks Update

BY STEVE NEGEN

As I am writing this, wheat harvest is about half done. The quality of the wheat this year is all over the board. We have seen vomotoxin as high as 17 ppm and as low as 1.0 ppm. Yields have also varied from 50 bushel to 100 bushel per acre.

Soybean and corn harvest is just around the corner. We have had some timely rains that have really pushed the corn and beans along. All we need now is heat and a late frost, and I think we are going to see some very good yields out there.

With our acres increasing each year we purchased a chisel plow and cart: a new 47' Wil-Riah Chisel plow with a stainless steel commodity cart that holds 525 bushels or in our case 19 tons of fertilizer. It has a dual air system along with a full blockage monitor system. We also leased a 600-horse power Cat Challenger tractor to pull it.

The board of directors and management at the last meeting approved an air system to fill the corners in our corn buildings. In the past, we really had no good way to fill the corners. With the new air system, we are expecting to gain an additional 480,000 bushels of storage between Holloway and Twin Brooks.

With harvest fast approaching, I would like to remind our producers that we do have a speed limit on our roads, which is 25 mph. The reason for this is to keep the dust to a minimum and to prevent any accidents. We also ask that you refrain from using your engine brakes on Highway 12 in respect for our neighbors. Finally, yet importantly, we ask that you refrain from using your cell phones, especially in the dump area. We have many people around that area and everyone needs to be paying attention to avoid any accidents.

The Twin Brooks staff and I would like to thank you for your business and have a safe and bountiful harvest!



Credit Report



BY CHAD SYLTIE

Your update from the credit desk is here. As it has in most years, the summer has flown by and now kids are back in school, football season has started and harvest season is just a few weeks away. It's been a summer to remember with a wet late start on planting, followed by the monsoon rains for June and cooler than normal temperatures through July and August. Harvest could be later than normal so let's take a few minutes and give some details about what is coming at you after harvest into 2015.

I want to give you a few details about what type of financing programs we will be offering for 2015. This year coming up it will be extremely important to have your financing in place so when discounts are offered you have the capital needed to take advantage of the savings.

For 2015 we will have our full-farm financing program as we have offered for the past years. During the month of September we will be out seeing our existing customers and those who are showing interest in this program for next year. This is a good time to ask questions about this program so you get a clear understanding of what this program is about and what it can do for your operation. It is also good for new customers to get some of the underwriting information to us so part of the application process is completed before harvest. If you have any questions about this program, please give me a call at our Holloway office.

This is, by far, the best financing program West-Con offers to their customers so please be sure and give us a call for more information. Interest rates are still low, and I do not expect any major changes between

now and the new year. Longer term rates are staying stable also, so if you have some term notes which need to be refinanced, this would be a good time to look at doing this.

Another financing tool we will be offering this year is the Farm Plan, which is now called John Deere Financial. This has been used by a lot of customers and seems to go over very well. We use John Deere Financial for financing seed orders which are offered through the seed companies. The seed financing programs for 2015 will come out sometime after Labor Day, so ask our agronomist about these programs or give me a call at the Holloway office. This program works very well in conjunction with your traditional finance plan and lets you finance inputs at very competitive interest rates. Most seed companies are using John Deere Financial to finance their seed, making a nice "one stop shop" program for purchasing seed and crop protection.

We also had Bayer Crop Science and BASF come with a John Deere Financial financing program for chemicals, and I would expect them to have this available for 2015 too. I recommend taking a good look at this program now because these are competitive rates, and it allows you to save on borrowing on your operating line until next summer when these programs are not available. This gives you the option of making better use of your capital when you need it.

We will also be working with Quick-Link through Rabo Agrifinance to finance your inputs purchases. Here again, it works well, in conjunction, with your traditional financing plans and any purchases put on this program are not due until December 2015.

With fall harvest season soon starting it is also time to start thinking about fall fertilizer. Please contact our agronomy staff on the prices and terms associated with fall fertilizer. Our policy with fall fertilizer is all agronomy accounts must be current prior to any fall fertilizer being purchased. We do have a few accounts with outstanding balances from this summer and we would like to get these cleaned up as fast as we can.

Another item to mention is this past growing season West-Con expanded our crop insurance division so now we have an agent on staff and ready to help you with your crop insurance needs in the State of Minnesota. This has been a nice addition to our product line where we are able to work closely with you on field productivity and be able to see the results of the products and seed used in your fields. Besides monitoring productivity we are able to help you decide what level of coverage is best for your operation because we know the costs you have into producing a crop. So next time you are visiting with our agronomist, please ask about buying crop insurance through West-Con.

Besides writing to you about our financing programs and crop insurance I wanted to make you aware of a couple of different things we are doing at West-Con in our grain department. One of the changes in our grain department, as some of you are aware, is we are now giving customers the option of purchasing deferred payment bonds to cover their deferred payments. In the past West-Con has purchased a large bond to cover these deferred payments, but due to the cost of buying this bond we have had to make this change. It is a simple process to get these bonds in place, and you are billed directly from the bond company for the

Credit Report continued on page 17

Credit Report

continued from page 16

cost of the bond. Bonds are placed with an "A" rated company so they are backed with the financial stability you are looking for.

Another change in our grain division is we are now giving our customers the option of receiving interest on your deferred payment if it is for longer than sixty (60) days. We are currently paying two (2%) percent on our deferred payments if you so choose. The maximum amount of time we will pay interest on deferred payments is two (2) years. Interest is paid out at the time you get your check so you will receive a 1099 from us in the year you get paid this interest. So you may want to discuss this option with your tax accountant before signing up to get this interest payment.

Please have a safe fall harvest, and we will look forward to hearing from you this winter.

Thank you for supporting West-Con this past year.

UPDATE ON NEW FARM BILL

One item to touch on is our new farm bill. This is a very complex bill because it is called a Farm Bill, but many components of this bill deal with food and food subsidies, which do not affect the farmer directly. FSA personnel have stated you should start seeing information mailed to you from your local offices about the Farm Bill. You will likely see informational meetings take place after harvest, it is recommended to attend the meetings when they come available. Decisions will need to be made soon which will be in place for the full term of the new bill.

Fall Planning

INTERESTING 2014 SO FAR, BUT IT IS TIME TO START THINKING ABOUT 2015

BY DARRELL BARTZ

I would like to start out by saying thank you for your business this past year and we look forward to the opportunity to earn your business for this 2014 fall and moving forward into 2015.

Getting seed orders in earlier every year seems to be another important process. Order date is very important every year for multiple reasons. One is that it helps us secure specific seed by hybrid as soon as it becomes available, along with working towards first and second choice in seed sizes. Locking up these seed orders also allows you to potentially receive some of the best discounts available throughout the season. If certain hybrids of corn and or varieties of soybeans are allocated or are less available than others we use the order date to assure the accounts that made the commitments earliest with a signed seed order, are taken care of as well as possible. To help you make your 2015 seed input decision, use your sales agronomist from West-Con. They can get you information that they see from the hybrid and variety plots in Holloway, along with the Monsanto Market Development, and Winfield Answer Plots, and use comparisons from many hybrids of corn and varieties of soybeans from multiple companies. Confirming these seed orders after harvest is always a good idea before the end of the year, just to review that those are still the best products by trait, maturity along with other factors for your farm. Keeping your seed order as close to your needs as possible is also very important as we are held to five to seven percent for returns, which is why we use a return policy on the seed sold.

We look forward to helping you start putting plans together for your fertilizer needs for this coming fall. Charlie will be touching on some details for fertilizer pricing details for this fall season, but I would also like to take a moment and touch on the importance of getting your P & K and

any micros applied on your acres in the fall. Most importantly it makes very good agronomic sense, but it also helps the work load for West-Con. With such a narrow window for planting in the spring, we could not cover enough acres in the spring for everyone to get their planting done as timely as otherwise possible. Give any of our West-Con Sales Agronomists a call to start putting your fall soil sample/fertilizer plans together today. It's just a phone call away for you to have those services put in motion as you harvest.

A subject we have been sending out information out to everyone on is Container Management, which pertains to the chemicals West-Con inventories in bulk and in mini bulk containers. We all know state rules and regulations will never be done changing, and many times just get tougher for our industry to deal with. West-Con must change and adjust to these regulations as well, along with reinforcing the processes we currently have in place to handle such products. One of those regulations is container management and how all the caged and mini bulk tanks that we use to put bulk chemicals into must be certified. The containers must have one way valves on them as well as being sealed with West-Con cable ties after being filled. This is done to greatly reduce the potential for cross contamination or other products to be put into those tanks. A deferred deposit will be added to the invoice as you pick up bulk products, which will be credited when the tank is returned. All products sold as bulk or MB chemical that is caged or in shuttle tanks, are non-returnable. This is not something new as West-Con has developed a container management plan with a process that has been implemented over the years. More details will be published in future newsletters to keep you up to speed on any and all changes with the container management process.

Again, thank you for your business.

PREPARING FOR FALL

BY JOE MEYER

Prepare for the worst, and hope for the best in this industry. Last year the corn crop was wet all the way through harvest, and we have been drying grain almost every week since. West-Con is preparing for that same type of fall this year. If the spring wheat crop was any indicator, we will have a tough time drying grain down in the field. Last year a number of factors contributed to a propane shortage at harvest: weather, rail performance, slowing down of pipelines and the eventual reversal of the Cochin pipeline that ran through Benson. As always, West-Con has been committed to fixing bottle necks in the grain delivery process and has invested a great deal again this year to ensure the speedy delivery of grain in order to get you back to the combine as soon as possible.

As many of you have probably saw this summer, we have added propane storage to our Holloway and Twin Brooks locations, increasing capacity from 120,000 gallons to 240,000 gallons. As last year proved, just having propane contracted is not enough; you have to have the product or have some way of getting the product reliably. The added storage allows us not only to lock more propane at pre-fall price levels, but it also ensures we have more product when we need it. Local propane prices are over \$5.00 per gallon, caused mostly by freight and demand with 46 days in a row of below zero temperatures last winter. Hopefully this fall and winter does not bring quite as cold of temperatures, but we will be ready to dry and store grain out of the field either way.

It certainly seems as though we are in a new price environment for commodities. Energy is no different than corn and beans; the more demand there is one year the more that is going to be produced the next year. The U.S. dollar gaining strength and new monetary policies by the federal reserve has kept managed money out of commodities. Unless there is a major shift in regulation of these markets we are going to have to learn to get along with the managed money funds. Remember that just because producers or elevators are not selling doesn't mean prices have to go up.

Thank you to all our patrons for doing business with us. I wish you all a great harvest and remember to be safe.



**American
Red Cross**

THANK YOU

to all donors who attended West-Con's blood drive on Tuesday, August 26. With the help of donors from the community and West-Con employees, we met our goal of 28 units of blood collected. These units will be distributed to hospitals around Minnesota, helping up to 84 patients in need. With the success of this and past blood drives, we plan to host a drive again in August of 2015. Watch for announcements, and consider donating in support of the constant need for blood.

TRANSPORTATION

Anticipate your hauling needs

BY AARON GADES

Greetings from your transportation department! Thank you to all those who utilized our trucks this spring and summer. We appreciate your business, and with your support we look forward to continued business in the future.

With harvest either quickly approaching, or perhaps already here, I want to remind you try to anticipate your hauling needs and plan accordingly. The more notice you can give us the better our service can be to you. In addition, when you call have as much information ready as possible about the location you would like us to haul from. Information we will need includes your name, county, township, section, quarter, a contact phone number or just directions to the field. We will have 29 hoppers available this fall and look forward to helping you in this busy time of year.

At West-Con we strive to accommodate all our patrons, but want to remind you that those who called during the summer to reserve trucks for fall will have priority. We would still like the opportunity to assist other patrons, but we will need to finish with those who called early first.

To contract with us for truck hauling, or more information, contact us by calling West-Con's main office at 320-394-2171 and dialing extension (234) for Aaron, or (205) for Garb.

As always we thank you for your business and patronage and look forward to many years of continued service.



In the Community

Western Consolidated Cooperative
along with  **LAND O'LAKES, INC.**
recently made a total donation of
\$36,000

to local health care facilities.

Western Consolidated Cooperative along with the Land O'Lakes Foundation recently made a total donation of \$36,000 to local health care facilities. Each facility has designated their donation to meet specific needs of their patients and residents. Dean Isaccson, West-Con General Manager, and Chris Aasland, West-Con presented each donation.

Milbank Area Hospital will update ultra sound equipment with the donation money and Appleton Area Health Services Foundations will meet the needs of their residents by adding a bath spa to the Care Center. Big Stone Health Care Foundation has plans to improve the nursing home facility, and Swift County Benson Hospital Foundation will add equipment to their lab.

Swift County 4-H Blue Ribbon Auction



Market Barrow-
Katelynn Schmiesing



Poultry-Market Chickens-
Tyrone Molden



Meat Goat-
Josie Munsterman



Breeding Ewe-
Matthew Rheingans



Milbank Area Hospital (MAH)

Donation received by Jerry Zubke, MAH Board Director; and Natalie Gauer, MAH Administrator.



Appleton Area Health Services Foundation (AAHS)

Donation received by Jeff Cook, AAHS Administrator



Big Stone Health Care Foundation (BSHC)

Donation received by Sally Rakow, BSHC Administrator.



Swift County Benson Hospital (SCBH)

Donation received by Jerry Peterson, Foundation President; and Frank Lawatsch, SCBH Administrator

PRSRT STD
U.S. POSTAGE
PAID
APPLETON, MN
PERMIT NO. 12

Capture it

Congratulations to **Donna & Greg Erickson of Evansville**, winners of this edition's Capture It Photo Contest.

In the Erickson's words, "The skeleton was made by a neighbor of ours from parts that he had and we had. It sits at the entrance to our yard and is a greeting to anyone that drives into the yard. His name is "Rusty" and he is a skeleton "farmer" for the "skeleton" F12 that he sits on! We first bought a rubber skeleton online, but it didn't last very long in the weather. This is much better and matches the tractor." The second photo is "Our 'red' lineup. Four of these are original and working tractors. Greg has been collecting IH/Farmall/McCormick-Deering for most of his life as he grew up with "red" on his parent's dairy farm. Left to right 1951 McCormick-Farmall Super C with C72 blade (owned by his grandpa); 1954 McCormick-Farmall Super MTA gas; 1956 International 600 diesel; 1978 International 674 with 2250 loader; 1978 International 986 (bought new by his dad); and 1989 Case IH 7110 Magnum."

If you have a photo to submit, please email it to the main office at kpeterston@WEST-CON.com or call 320.394.2171. Thank you.



Western Consolidated Cooperative

520 County Road 9, Box 78, Holloway, MN 56249

Holloway (toll free)	800.368.3310
Main Office	320.394.2171
Holloway Scale (ext 217)	320.394.2171
Appleton Terminal A	320.289.1921
Twin Brooks Terminal	605.432.4531
Ortonville	320.839.2861
Kensington	320.965.2688
St. Leo	507.224.2238

BOARD OF DIRECTORS

Chairman, Joe Stelzig; Vice-Chair, Patrick Ascherman;
Secretary, Jason Lund; Gary Nygard; Shane Gilbertson;
Mark Pillatzki; Dean Beyer; Tim Nagler; Roger Schmidt



If you have stories of interest or would like to be added to our mailing list, please contact the Main Office at 320.394.2171