

WEST-CON Update

SPRING 2014

ANNUAL MEETING

.....
Another Profitable Year

MEET THE NEW
**Agromony
Manager**

Spring into Action

SEED | FERTILIZER | PLANTING TIPS

contents

Planning for the Future

Our Annual Meeting was held on Monday, March 10th at the Holloway Community Center where once again West-Con was able to report another successful year. We had a net profit of \$4.7 million and we lowered our debt by \$4.6 million. Total cash returned to patrons in 2013 was just over \$2 million and we were able to retire equity from 1992-1993 and 1994.



Dean Isaacson
General Manager

ing with suppliers to make sure we keep our dryers going. Right now, we feel comfortable that we have a good supply to meet the demands of the upcoming 2014 drying year.

As we enter the 2014 year, we are taking a serious look at upgrading our grain facility in Appleton and expanding it to a 100 car loading facility. This elevator is on the TCW railroad which would also allow us to gain service from the Union Pacific railroad. This would open up additional markets that we cannot currently get from our Holloway (MN) and Twin Brooks (SD) elevators, both of which are on the Burlington Northern railroad. As of today, we are finishing up our projections, working through our due diligence and expect a decision and final approval soon. If approved, our goal would be to starting building this fall and have the project completed by the fall of 2015.

As always, I want to thank you for your continued support of this cooperative. We are excited to move into the 2014 crop season and look forward to another great year. Thank you.

Domestic production tax pass through will be \$3.4 million and this will equal about 1.75% of your grain sales for 2013. If you sold corn at \$5.50/bu it would equal 9.6 cents/bu. If you sold beans at \$14, your pass through would equal 24.5 cents/bu and if you sold wheat at \$7.50 it would equal 13.1 cents/bu.

After last fall's energy shortage, we are adding four more 30,000 gallon LP storage tanks and doing so will bring our total storage to 240,000 gallons. This may sound like a lot of gallons, but in reality it only provides us with 3.3 days of drying. We are also work-

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CONSTRUCTION IN MOTION ::::::::::::::::::::

Improvements in the works for Kensington–Holloway and Twin Brooks are next

BY DARRIN HATLETVEDT

Despite the cold, the Kensington Fertilizer Blending Tower project that was started last fall is coming along very well. All of the structural steel, overhead bins, scales, blender and surge hopper are in place. For the most part, the construction crew is working seamlessly on getting this project completed and ready ahead of the spring season. The new blending office, which is where the old blender used to sit, has been completed and is ready to start setting up the control equipment. We are very excited to announce this expansion and anxious to see what it can do. As we said in a previous *Update*, this is going to increase our speed exponentially and allow us to better serve our customers. The support from our customers to help us reach this goal is greatly appreciated.



COMING ATTRACTIONS

Holloway Grain will be upgrading their rail-car loading facility this spring by installing a state-of-the-art bulk weigher system. The new weigher will hold more grain and meter more grain as it weighs and drops into the railcar at a rate of 80,000 bph. Along with this upgrade, we will also be rebuilding the grain screeners to do a better job of filtering and grading off FM. With this expansion will be a new grain sampling system that will provide a more uniform sample with increased grain flows. Finally, we will be adding a newly designed load out spout-

ing system that will direct grain flow into two separate grain handling vehicles, either rail car or semi hopper trucks.

Holloway Grain and Twin Brooks Grain will both be getting more LP gas tank storage this summer. We are planning to add two tanks at each of our sites with the new tanks at a capacity of 30,000 gallons each. With more supply on hand, we will be better prepared to meet the LP demands at harvest time.



Getting to Export Markets

BY PAUL MATTSON

A grain elevator's best friend or partner is its transportation provider. West-Con's number one provider of transportation is the BNSF Railway. We have other ways of moving grain, but the lifeblood of West-Con's grain department is the BNSF. We can truck grain to a number of outlets and we can load TCWR rail cars to various locations, but West-Con is a BNSF grain shuttle loader. The other modes of transportation can supplement what we do, but we simply cannot move the volume we need to by truck or short line rail.

Over the last six months we have experienced a variety of market and weather conditions that have caused BNSF rail freight to become very expensive. There are three components that influence BNSF's rail rates. The first component is the tariff rate. This is the rate that the railroad charges to move a car or cars from point A to point B. The tariff rate currently is \$4,950/car to move a car on a grain shuttle from Holloway, MN to the Pacific Northwest for export. The total cost for a 110 car train is therefore \$544,500.

The next component is the fuel surcharge. As fuel prices move up and down, the railroad adds a fuel surcharge to reflect increases or decreases in their cost of fuel. At the time of this article, the fuel surcharge from Holloway to the Pacific Northwest is .35 cents per mile and it is approximately 1,627 miles from Holloway to the Pacific Northwest, resulting in a fuel surcharge at \$569.45/car or a total of \$62,639.50 per train. The tariff rate and the fuel surcharge are relatively stable. Most years there is only one rate change per year and as expected it has gone up over time. As an example, the tariff

rate from Holloway to the Pacific Northwest in March of 2008 was \$3,720 per car or \$409,200 per train. Fuel charges are calculated monthly and are based on diesel fuel prices paid by highway users.

The third piece of the rail freight rate is the cost to secure the car for loading at a particular spot. The BNSF auctions off their equipment to parties that guarantee the BNSF they will provide loads each time that train is empty. These trains most often run for 12 months at a time. Once a party owns this train they can load the cars themselves, or they can sell that train to someone else and they can load it. Currently the cost of securing one of these trains ranges from \$4,000 per car or \$440,000 per train to \$1,500 per car or \$165,000, depending on the time of year.

The current cost of getting a train from Holloway, MN to the Pacific Northwest can be as high as \$2.37 per bushel depending on the timing and market conditions.

These high freight cost have a direct impact on the value of corn and what West-Con can pay for your grain. As we move forward, we will continue to source as many market options and railroad alternatives as possible. Our intention is to find the best possible home for your commodities and get them there in the most price-competitive and efficient way possible.

If you have questions about how any of these transportation factors affect your co-op, please give us a call. Please take your time this spring and be safe!



GRAIN MARKETING MADE EASY

BY CHRIS AASLAND

It is finally the month of March with hints of spring in the air. Warmer temperatures, melting snow and song birds returning all are very welcome after experiencing a colder than normal winter. The extreme cold restricted grain movement making for unsafe grain movement to and from elevators but one bright spot is the minimal snow amounts in our area, whereas other parts of the country were walloped with multiple major winter storm systems.

In the last issue, we discussed the market decline and eventually putting in a bottom. From the looks of things, that is exactly what took place with all three grain markets putting bottoms in the month of January and rallying from there. During the period of decline, it was the job of basis markets to entice the farmer to sell grain with attractive levels throughout January. After the futures started to rally and maintain their upward trend, basis started to widen out in February and into March. Part of this was the futures markets rallying and the other part was the increasing cost of the freight markets, especially in reference to rail transportation.



Locally, much of the snow in the fields has melted making for the possibility of an early spring planting season. Many areas throughout the Corn Belt have dealt with excessive amounts of snow and colder than normal temps so this may affect their spring planting going forward. South America is finishing their soybean harvest at this time and although production estimates have declined, it still looks to be a very large crop. Our carryout here in the U.S. remains tight, standing at 145 million bushels. We will be watching this going forward as demand for beans remains steady and we also have been dealing with the swine PED Virus taking its toll in the hog industry.

With a corn carryout double from what it was a year ago, prices will remain under pressure. We will be watching for any signs of late spring planting going forward and the weather to fuel rallies in the corn market.

In reference to keeping up with your paper, I would like to remind you that all of your grain balance and assembly sheet reports can easily be converted to a PDF format and emailed directly to you. Having these electronic documents provides you with a digital copy for your records that can be stored on your own computer and for futures needs, quickly referenced. At any time, give us a call in the grain department and we will be more than happy to email you documents, as requested.

Please contact myself, Paul, Jake, Joe or Kevin with any grain marketing needs. Thank you for doing business with West-Con.

Spring Fever

BY JOE MEYER

It is that time of year again, preparing for the worst and hoping for the best in what Mother Nature will send us. As we move into spring, our Twin Brooks and Ortonville locations are focused on preparations for the season. Hopefully agronomy season is underway by the time you read this. Please communicate with your agronomist about seed pick-up and fertilizer if you have not done so already.

In grain marketing, railroad performance has dominated the headlines. Performance issues and record high prices for rail cars have made planning tough for rail terminals, truck elevators and ethanol plants. As we navigate through spring it will be important to keep an eye on the markets. Good opportunities to market grain could be limited this summer. A great way to capture those opportunities when you are busy in the field is with offer contracts. We have seen a lot of success recently with offer contracts when the highs of the day are early morning or during the overnight trade.

Grain quality issues this year have occurred in both corn and spring wheat, with test weights and moisture causing most of the headaches. As a result of light weight corn and high moisture we have been drying corn since harvest. Space this summer will be very limited for grain that is out of condition, so please check your bins often as we get into the warmer months.

With all the uncertainties in the world, it is hard to make decisions about markets with grain, fuel and fertilizer being affected by political turmoil, natural and unnatural disasters. Risk management is the key to success in the farming and elevator business. Being proactive in running our business with the most up-to-date information on prices and services will always be our priority. Do not hesitate to call me for grain, fertilizer and fuel questions or concerns. Thank you for your business and have a great crop season.

Streamlining Operations

BY GARB HOHN

Before we hit the ground running this spring, I would like to take this opportunity to review operational procedures throughout our facilities (dry fertilizer plant, liquid fertilizer plant, seed and chemical warehouse).

DRY FERTILIZER PLANT

All retail dry fertilizer orders are placed directly from the grower to his/her agronomist. Upon receiving the order, the agronomist enters the order into West-Con's computer system and based on the plant location designated on the order, the work order is immediately communicated to the plant location. From that point forward, the fulfillment of the order and/or applicator service is managed by the operational staff at the individual plant. (NOTE:

Questions regarding your order, including product or scheduling changes, need to be communicated back to the agronomist who received the original order.)

At West-Con, we have an entirely GPS enabled workforce that allows us to not only see where our trucks, floaters, spreaders, vehicles and other machines are, it has also given us the ability to send jobs directly to the staff running the equipment, and from both plant locations and our office we are able to monitor the status of those jobs. This is all accomplished through our Dispatch program.

LIQUID FERTILIZER PLANT

All liquid fertilizer orders are placed directly from the grower to his/her agronomist and the processing of the order will follow the same steps as defined above in the Dry Fertilizer plant section. Again, if there are any changes or scheduling issues, please communicate directly with your Agronomist.

SEED & CHEMICAL WAREHOUSE

If you have not yet picked up your seed corn, please contact your agronomist in advance to confirm your order and set up a time to pick it up. Having this information in advance will help us avoid delays or unnecessary frustrations associated with any changes (including size, variety, quantity, etc.) and we can have your order staged and ready for your arrival. As most of you are already aware, seed sizes and varieties are in even tighter supply than last year, so please take the time to re-confirm all seed orders with your agronomist.

For all packaged and bulk chemicals, we ask that you also call ahead and speak with your agronomist. They will answer any questions you

may have regarding product and recommended application rates, and following your instructions, they will then place your order and communicate that information to the appropriate West-Con facility. The receiving facility will then process and assemble your order, reducing your wait time when you arrive.

We have an alarm system in place at our Holloway Warehouse that serves a two-fold purpose. First and foremost is your safety. Not only does our warehouse provide vast amounts of seed, chemical and other product storage, but we also have multiple forklifts and other equipment in motion. The moment a customer or visitor of

any type steps foot onto our warehouse floor, their safety is at risk and this is not a compromise that we are willing to allow to happen on our properties. For this reason, we ask that ALL

customers and visitors enter the warehouse facility through the OFFICE DOOR ONLY. Once inside the office, if you are not greeted by a West-Con employee, please locate and press the "CALL" button that you will now see positioned on the service counter. In response to the CALL button, an alert will be sounded on the warehouse floor and you can expect the arrival of West-Con employee shortly thereafter. For your safety, we ask that you remain in the office while your order is being processed and fulfilled. In addition to the consideration of your personal safety, you can see that this new alarm system will also help our employees more efficiently serve your needs. Each time an alert is sounded, be assured that a West-Con employee will promptly respond.

EQUIPMENT AND TECHNOLOGY

To keep up with the demands of our customers we are always looking for ways to improve our efficiencies not only throughout the operations of our facilities, but also in our equipment and technology. New to our line this spring are the following: two 2015 AgChem 9300B product variable rate twin bin dry floats, one 2015 AgChem 9300B liquid floater, two 2014 Rayman fertilizer tenders, two liquid tenders and one 2013 Case 1121F Payloader. As these additions join our already existing fleet (see 2014 Rolling Stock Line-Up in sidebar) we expect to enter the spring season fully prepared to meet your needs.

Last, I would also like to address the issue of a rain event and how it affects operations at West-Con. West-Con provides agronomy services to a multi-state and multi-county

*"...the success of your operation is
always at the heart of our operations"*



area, so even though you experience rain at your farm locations, it does not always mean that customers at other locations are receiving the same rainfall. If you have fields scheduled and weather conditions have created a need to delay, please let us know as soon as possible. In the event that we receive rain at our plant locations, we will be individually calling the owner of each scheduled job to reschedule. After notifying scheduled field growers, we will re-evaluate our level of operation for the remainder of the day and make reassignments as necessary.

WORKING TOGETHER

In closing, I want to remind all growers and customers of West-Con that we work very hard to keep up with you and assure you that the success of your operation is always at the heart of our operations. Bearing through another long, cold Midwest winter season, we know you are anxious to get out in the fields and once again, we are equally as excited to be right there with you. Once that ground becomes workable and soils reach the desired temperatures, we know that each and every one of you will move as quickly as you can to plant your crops. We've been in the business a long time, we understand the urgency of your orders and promise to work as quickly and efficiently as we possibly can. Our ability to provide maximum efficiencies is greatly affected by the timeliness of your work orders, so the sooner you can provide us with the details, the better. We are proud to serve a very large number of growers, but please understand that each and every order is of equal importance to us. Again, your communication with West-Con begins with your agronomist and any changes of service, product or scheduling needs to be directed to him. Only if your attempt to reach your agronomist fails, should you contact the plant manager. Any questions, please feel free to give us a call. Thank you for your continued support.

Placing a Fertilizer Order

- Grower calls agronomist with order
- Agronomist enters the order
- Order received at plant
- Plant manager assigns job
- Job is dispatched to applicator
- Applicator contacts grower prior to arrival
- Applicator completes the job
- Applicator contacts grower to let him know job is finished
- Paperwork is delivered to office
- Office staff prepare and mail invoice

2014 Rolling Stock Line-up

- 15 Dry Floaters
- 11 Sprayers
- 9 Liquid Floaters
- 20 Tandems/Single Axles
- 59 Semis
- 102 Trailers:
 - Hoppers (24)
 - Liquid Tenders (16)
 - Dry Tenders (32)
 - Tankers (9)
- 11 Cars
- 19 Pickups



Credit Report

PUTTING PLANS INTO ACTION

BY CHAD SYLTIE

Our long winter cold is coming to an end, I hope, so let the work begin. Spring planting is not far off and it's time to start putting our plans into action. We have been planning all winter long on spending, marketing and crop placement so now it's time for follow-through. I just want to remind you about our credit terms for this spring and summer. All invoices will be sent out with 10-day terms. This has been our credit terms since before I came to West-Con back in March of 2002. I realize with 10-day terms and mail time the two can make life interesting so we will be allowing some leeway on payments. If you receive an invoice in the mail, and most of the 10 days have passed, please give us a call so your payment will not be considered late and cause you to lose charging privileges. Charge balances accumulate fast and you do not want to be caught off guard. We have a little time yet, so you might want to review what it is you have prepaid so you are aware of what charges you can expect this spring.

Please be sure you have enough credit available with your banker to handle these high costs of inputs. Credit is tightening up in the agricultural sector of our economy so it is important to make sure your financing is adequate for your operation. Even with lower commodity prices, there is profit potential in these acres this year and you want to be sure your capital supply is sufficient to handle the cost of running your operation. We will have a limited amount of financing options remaining this late in the season, so give me a call soon if you want to check into these programs.

Our main in-season financing program is John Deere Financial (previously known as Farm Plan). John Deere Financial is

a nice tool to have as a back-up if capital runs short with your local lender. We will also have Quick-link financing through Rabo Bank. Both programs have simple applications to fill out and fast turnaround time on processing your application. Please give me a call and we can check your account limits for each program so you know your options. John Deere Financial does have a few programs still going for financing chemicals and seed with reduced interest rates, but again, check with me soon because these programs are about over. Both Monsanto and Croplan have reduced rate financing programs available on seed through the end of May. Monsanto has a program for chemical purchases also. BASF and Beyer Crop Science have 180 day no payment/no interest which run through the summer months.

Do not forget to check into our financing plans this summer. Access to capital is always an important part of helping to secure profits for your operation. Our full farm financing program is an excellent program to consider when obtaining financing for your operation. With this program we are able to provide financing for operating, machinery and livestock financing and real estate loans. Interest rates are down so take some time to check out what this program can do for you.



As you make your crop insurance decision, please consider West-Con. We will have two licensed agents to help you with your crop hail insurance after planting. There are many different policies to choose from when dealing with crop hail insurance and we will help you pick the policy that is right for you. We also have wind production available as an endorsement to your hail policy. This would protect your corn crop against wind, green snap and blown off ears.

Spring planting seems to go faster very year, so please remember to think safety first. Thank you for your support of West-Con.

FROM THE OFFICE ::::::::::::::

The Check is in the Mail

BY AL CONNELL

West-Con had a good year financially in 2013. Total company profit was \$4,735,838 vs. \$4,764,374 in 2012. The total patron-age dividend to be paid is \$2,379,010 of which \$713,703 will be paid in cash. The dividend checks were mailed out to patrons on March 14th.

West-Con sent out patron equity retirement checks on March 7th. The company retired all equities earned in 1992, 1993 and 1994. The total of these retirement checks was \$1,215,624.

In early September, all customers who sold grain to West-Con in 2013 will get a notice on what their domestic production activities deduction credit will be for 2014. The total amount to be allocated to customers this year is \$3,400,614. The total allocated to customers in 2013 (for grain bought in 2012) was \$3,117,480.

I would like to remind all customers that you have the option to receive all your invoices and statements by mail or have them sent to you via email. It is your choice which way you would like to receive this information and if you would like to have your invoices



and statements emailed directly to you, please email Kathy Peterson at kpeterson@west-con.com and she will get you signed up to receive your information by email.

Recently we were notified by our bank that any type of West-Con check will be void after 60 days from the date of issue. If you try to cash it after that date, the check will not be honored by the bank. You would then need to come in and get a new check. If you receive any type of check from West-Con, please do your best to cash it in a timely manner. Please check the date of your checks before cashing.

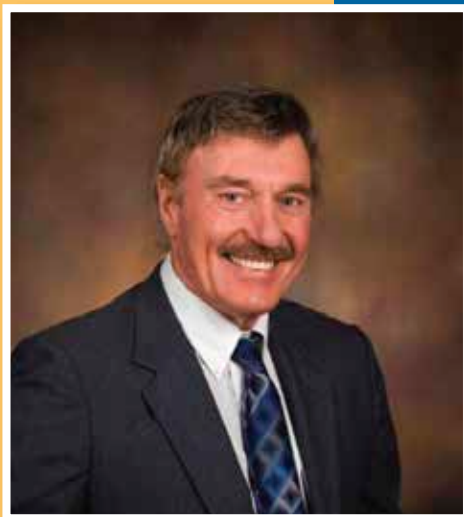
Spring is a very busy time for everyone. Please take the time to review all your invoices. If you have any questions or problems, please contact us right away. We will be glad to explain anything you do not understand.

Have a safe and prosperous growing season and thank you for doing business with West-Con.

Congratulations ON YOUR RETIREMENT, KEN

*On February 13th, **Ken DeBuhr** was joined by friends and colleagues to celebrate his retirement. Ken has worked at West-Con for the past 23 years and been an integral part of its success. Over the years, Ken has provided a multitude of energy and knowledge throughout multiple areas of West-Con, including operations, grain, projects and administration.*

THANK YOU for your leadership and contributions. Congratulations and best wishes on a much deserved retirement. Your friends and family at West-Con will miss you.



WEST-CON MEMBERS

Annual Meeting

BY SHEILA HOFFMAN

Members gathered on Monday, March 10th, 2014 to participate in the 30th Annual Meeting of Western Consolidated Cooperative. The meeting was held at the Community Center in Holloway, MN. The meeting was called to order by Chairman Joe Stelzig and immediately followed by a determination of quorum, notice of meeting and the reading and approval of former meeting minutes. Next, Jim Schuetzle of Carlson, Highland and Company presented the 2013 audit review and financial report. General Manager Dean Isaacson followed with a report of 2013 operations and a review of the past 30 years of business and growth. Paul Mattson, Grain Department Manager, presented a departmental report and shared concerns involving transportation and rail issues.



Joe Stelzig, Chairman



Dean Isaacson, General Manager

Secretary Pat Ascheman presented the Nominating Committee report including placement of boarding position candidates for Areas One, Two and Three. A call for additional candidates from the floor provided no additional candidates so Ascheman invited a motion to cast unanimous ballots for all three candidates. Motions were cast, seconded and all voted in favor. The re-elected board members include: Area One, Gary Nygard; Area Two, Mark Pillatzki; and Area Three, Tim Nagler.

Members then welcomed guest speaker, Matt Kumm, Propane Marketing Manager at CHS. Matt shared his knowledge and insight of the LP shortage that affected both the cooperative and individual growers last fall. As he addressed last fall's issues, current concerns and future expectations, he presented a number of charts and detail of

the pipeline flow that affects the national supply infrastructure. Following his presentation, Matt opened the floor to questions and addressed those communicated by members. A special thank you to Matt for participating in this year's annual meeting.

Chairman Joe Stelzig officially adjourned the meeting and members enjoyed a roast beef and ham dinner prepared by the staff at the Good Ole Days Café in Holloway, MN and took advantage of the opportunity to win a number of door prizes.



Matt Kumm, CHS, discussed the impact of the LP shortage

Thank You

Thanks to the board members for their service and to all members who participated in the annual meeting of your cooperative



Tim Nagler, Mark Pillatzki and Gary Nygard were re-elected



**2013-2014
BOARD MEMBERS**

Back Row: Dean Beyer, Joe Stelzig, Mark Pillatzki, Pat Ascherman, Shane Gilbertson

Front Row: Tim Nagler, Jason Lund, Dean Isaacson, Gary Nygard, Roger Schmidt

Meeting spring fertilizer demand is key

BY GARB HOHN

Greetings! The cold winter will soon be behind us and we all look forward to spring.

As always, we will be focused on fertilizer during this season and to meet the spring demands, we will have seven tankers available for all your liquid fertilizer needs. We also will have some hoppers available, but it will be a bit of a juggling act between fertilizer and grain hauling.

If you would like dry fertilizer or grain hauled, it is important that you call ahead to check availability and openings. (Call Aaron, ext 234 or Garb, ext 205.) Working together will allow us to plan out the most efficient and effective way to meet your spring hauling needs.

Spring is a very busy season, but be sure to take time to remember safety. We wish you the best and look forward to working with you this spring.

NEW REGULATIONS:.....

Bulk Chemical Tank Policies Take Effect

As most of our patrons are aware, bulk repacking facilities, such as West-Con, must comply with new EPA and DOT regulations, effective August 2011. This letter is to make you aware of some changes to our current policies and procedures.

FARMER-OWNED TANKS

West-Con will fill **farmer-owned** chemical caged mini bulks and shuttle tanks that meet the following criteria:

- 1) The tanks must be certified, sealed, and have a one-way bottom drain valve.
- 2) Certified mini-bulks and shuttle tanks have had the internal tank rinsed, inspected and pressure tested.
- 3) The certification date will be displayed as part of the U/N number or as a separate label on the tank.
- 4) Tanks must be recertified every 30 months.
- 5) Tanks can only be filled with the product for which they are labeled.

The external casing of the cage must also be inspected for cracks, warping, corrosion or any other damage which might render the tank unsafe for transportation. If it is determined that any part of the exterior or interior of the tank is defective or damaged, or if the tank is not certified or sealed, West-Con will not refill the container. West-Con will offer you a new tank from our inventory and the appropriate tank deposit will be applied to your account. It is the owner's responsibility to make sure tanks meet regulation standards and have current certification.

MANUFACTURER SHUTTLE TANKS

Monsanto shuttles are exempt from pressure testing every 30 months, but they must be sealed and have the correct labels attached. All other shuttles (BASF, Syngenta, etc.) must be inspected and tested every 30 months to meet EPA & DOT compliance. If it is determined that any part of the exterior or interior of the tank is defective or damaged, or if the tank is not certified, West-Con will not refill the container. West-Con will offer you a new tank from our inventory and the appropriate tank deposit



will be applied to your account. Again, it is the owner's responsibility to make sure tanks meet regulation standards and have current certification.

DEPOSITS

If you receive product in a **West-Con-owned caged tank**, a \$200 deposit will be applied to your account. If a West-Con owned caged tank is returned and the top seals are broken or removed, you will be assessed a damage fee of \$200 and the original tank deposit will be removed from your account. The tank will be removed from service until repaired and you will be provided with a new tank if desired.

If you receive product in a **West-Con-owned manufacturer shuttle tank**, a \$1200 deposit will be applied to your account. If a West-Con-owned manufacturer shuttle tank is brought in and the top seals are broken or removed, you will be assessed a \$500 decontamination fee and the original tank deposit will be removed from your account. The tank will be removed from service until repaired and you will be provided with a new tank if requested and available.

TRACKING

To comply with the EPA and DOT regulations for the refilling and tracking process, all tanks, including farmer-owned tanks, will need to be numbered for our reference. Please let us know if you previously purchased your shuttle from AFC or West-Con. Farmer-owned tanks will be numbered differently from West-Con-owned tanks to avoid unnecessary deposits being applied to your account. Once West-Con-owned tanks have been returned, any tank deposits on your account will be credited back.

ADDITIONAL INFORMATION

The same criteria for certification, seals, valves and labels apply if you are using a West-Con-owned caged mini bulk or shuttle tank.

If the U/N date does not meet the 30 months, you will need to return the tank so we can get them recertified in ample time before needing to refill them. If you still have one of our tanks that you have not purchased, the deadline for inspecting and testing the tanks is April 1, 2014. We will not be inspecting and testing tanks during the busy season. If the seals are intact and the tank has been emptied of all products, West-Con can do a pressure test for a fee of \$50.

We will not be supplying caged pumps with the caged mini bulks this year. It will be your responsibility to purchase a pump if needed. The manufacturer shuttle tanks will still be accompanied with a pump.

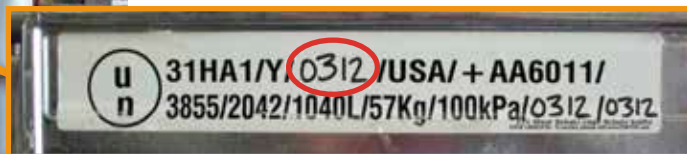
If you have any questions on this new information, please contact us and we will be happy to assist you. We thank you for your business and look forward to serving all your agronomy needs in the future.



Monsanto Shuttle, capacity 150 gallons

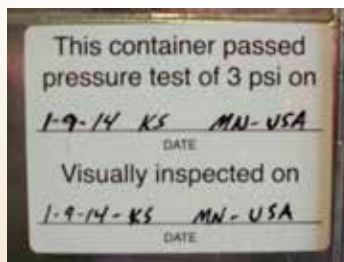
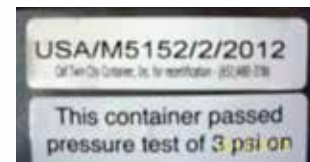


Caged Mini-bulk Tank



The U/N number is located on this tank in the upper left hand corner on the plate. They also may be located on the bottom of the plate. In this example, the month and year of certification are circled in red (March 2012).

This sticker has also been put on the tank, stating that it has been recertified and pressure tested.



This is another type of sticker that you may see indicating when the tank was rinsed, inspected and pressure tested. The tank will need to be recertified within 30 months.

SPRING INTO ACTION

PLANNING AHEAD IS ESSENTIAL

BY DARRELL BARTZ

As the 2014 spring season approaches, we are busy at West-Con bringing the products requested for this upcoming crop season. To help insure a speedy pickup, we ask that you call your agronomist 1-2 days prior to picking up the products. This will allow our staff time to stage your delivery so upon arrival at our Seed and Chemical Warehouses, your loading time should be much faster.

To help us speed up your loading time at our Liquid Plant, please make sure you have the proper plumbing on your equipment. To help reduce the risk of possible injury to both our employees and our customers, we recommend the 3" kanaflex hose with good clamps. This will also match the capacities of our fittings and again, help speed up the liquid fertilizer flow.

"Seed companies continue to reduce the amount of seed that West-Con is allowed to return at the end of each season."

Last year we upgraded our dispatch system and are able to more efficiently track both our applicators and tenders. When the spring field work begins, we will have available to us the real time locations and tracking of the equipment involved in hauling products to your fields. Again, growers will have the option available to receive a text message when we are finished with applications on your field(s). If you are interested in this option, please provide your sales agronomist with the appropriate cell phone number.

Due to the demand for seed and the dollar value of each bag of seed, companies continue to reduce the amount of seed that West-Con is allowed to return at the end of each season. For this reason, we ask that you put as much detailed planning into place ahead of time so that we can accurately communicate total acres for spring of 2014. Thank you.

NEW AGRONOMY MANAGER

BY S. HOFFMAN

The West-Con Management Team is pleased to announce that Charlie Head has accepted the position as Agronomy Manager. Working in the agronomy supply business since 1981, Charlie brings 34+ years of experience to his new position at West-Con. Throughout these years, he has worked with 25

major production crops. He attended the University of Minnesota where he earned a Bachelor of Science degree in Agricultural Engineering and Soil Science. Charlie has managed a number of agronomy divisions, with his most recent position as General Manager at Crop Production Services (CPS/UAP — Fargo, ND) managing a division with

multiple geographic locations including northwest Minnesota, northeast Montana and all of North Dakota. Throughout his career, Charlie has had many opportunities to meet and work with co-ops across the entire Midwest, including West-Con, and he is very excited to join what he refers to as the "best of the best co-ops."



West-Con welcomes new Agronomy Manager, Charlie Head

TREATING YOURSELF TO BIGGER SOYBEAN YIELDS

BY BEN JOHNSON

One key input in soybean production that is often overlooked is seed treatment. Seed treatment provides season-long disease and insect control and allows the plant to start in a stress-free environment with a high yield potential. Treating the seed allows us to capture that yield potential and protect it.

Disease and insect pressure are some of the biggest challenges that soybean growers face every season. Diseases such as phytophthora, pythium, rhizoctonia, and fusarium are very common every season and can cause detrimental yield loss. Soybeans are often exposed to these diseases as soon as the seed is placed in the soil and once affected there is very little that can be done.

Despite temps and moisture, these diseases exist in about every field on any given year. While resistant phytophthora races in soybean varieties are very helpful, there are so many different races it is difficult to ensure full protection, but a seed fungicide can ensure season-long protection.

Insects can also be very detrimental to yield during the course of a season. Insects such as bean leaf beetle, soybean aphid, seed-corn maggot wireworm, white grub and leafhopper can all be controlled by a seed-applied insecticide treatment.

With the strong corn market in recent years, many growers have moved away from traditional soybean-corn rotations to more corn-on-corn rotations. This creates a situation where soybeans can benefit from seed treatment and inoculant. While in a corn-

on-corn rotation, certain diseases may be reduced where corn is not a suitable host to rhizobium. Rhizobium

bacteria are essential to the soybean plant as they produce nitrogen for the plant. Soybeans can remove up to 200 lbs. of nitrogen per season and most of that is produced by the rhizobium. Anytime there has not been soybeans in a field for over two years, an inoculant should be used.

West-Con has a state-of-the-art seed treatment facility along with a wide selection of seed treatments and inoculants to meet your operation's needs. Contact your West-Con agronomist to treat yourself to less risk and higher soybean yields!



Private Pesticide Applicator License

BY DARRELL BARTZ

As spring grows closer, preparations for its arrival are important. We are posting this letter to remind you that if your Private Pesticide Applicator License expires on or before August 31, 2014, now is a good time to renew your permit. If you have not renewed your pesticide license and are looking to purchase restricted use pesticides, West-Con will be unable to sell them to you until your permit is up to date.

Examples of some of the chemicals you could not purchase are: Aztec, Chlorpyrifos, Hero and Asana XL.

We want to avoid any delays, so please take this time to renew your license. The following website will give you instructions on how the Private Pesticide License test can be taken online:

<http://www.extension.umn.edu/Pesticides/private.html>

As you renew your license(s), please provide your Sales Agronomist with your current license number so we can update your records here at West-Con. Thank you.

Charlie and his wife Renee have three adult children (one son and two daughters). In a prior position, Charlie and Renee made their home in the Alexandria area for 15 years and are anxious to relocate back to our community. In his spare time, Charlie enjoys hunting, fishing, camping and bird watching.

Charlie's office is located at the corporate headquarters in Holloway where he can be reached at 320-394-2171, ext. 203. We invite you to stop by and welcome Charlie to West-Con.



Protect Your Potential

BY CHUCK NOLTING

As you plan for each year's crop, you make several decisions designed to help you attain the highest yield goal possible and maximize your profit per acre. One decision you can make to help protect that potential is to use a foliar fungicide to boost your plants' natural defense system for combating diseases and to improve overall plant health.

Many of the products available today contain fungicide active ingredients from two different fungicide classes. The general advantages of using products with a triazole-strobilurin mixture are: a broader range of pathogen species may be controlled; provide preventative and post-infection control of diseases; fungicides may accumulate and move into different plant tissues; and the risk of selecting fungicide-resistant variants of fungal pathogens may be reduced. Some examples of these pre-mix products are Stratego YLD, Headline AMP, Quilt Xcel and Priaxor.

CORN

In corn we have two application timings we can choose to benefit from. The optimum

timing for the first application is at the V5-V8 growth stages. This application timing targets early season anthracnose infection and residue borne foliar diseases and can provide greater plant efficiency utilizing key nutrients, improved plant health during ear development, and enhanced stalk strength and quality. An additional factor leading to the increasing popularity of this application timing is that the fungicides can be applied as a tank mix with post emergence herbicides.

Optimum timing for the second application in corn is at the VT (full tassel) to R3 (milk) stages to provide disease protection and plant health during the reproductive growth stages. Key diseases targeted include anthracnose, gray leaf spot, eye spot, northern corn leaf blight and rust.

SOYBEANS

In soybeans, fungicide applications for the suppression of white mold should be made at the R1 (beginning flowering) stage. Some products to consider for white mold suppression include Endura, Proline and Domark.

For protection from other diseases in soybeans, the optimum timing is R2 (full bloom) to R4 (full pod). This application timing will improve plant health and plant efficiency during pod development and fill by protecting against diseases like anthracnose, septoria brown spot, frogeye leaf spot, cercospora blight, pod and stem blight, and Asian soybean rust. Again, the fungicide can be tank mixed with post emergence herbicides, foliar fertilizer products or insecticides.

WHEAT

For foliar disease management and early season plant health, apply fungicide by the 5-6 leaf stage of wheat growth. Fungicides to consider for this application timing include Headline, Priaxor, Stratego and PropiMax.

For fusarium head scab management, applications of Prosaro or Caramba should be made at the beginning of flowering.

For more information or answers to specific questions about fungicide use, please contact your West-Con agronomist.

Twin Brooks Update

BY STEVE NEGEN

We are nearing the end of a very long and cold winter season where the bitter cold weather and wind has provided challenges to keeping our equipment running. I am sure many of you have experienced the same. As I am writing this, it is 31 degrees out with tomorrow predicted at 58 degrees for a high so we are all looking forward to spring.

I saw some familiar faces at our annual meeting on the 10th of March so some of you are already aware of the LP situation. West-Con has purchased four additional 30,000 gallon LP tanks, two for Holloway and two for Twin Brooks. With the pipeline dedicating its use to other materials, the LP situation is not going to improve but at Twin Brooks, we have installed a pump and meter on our tanks so in the off-season we can load transport of LP out.



In reference to wet grain – *PLEASE* watch your grain bins. We have been dumping a lot of wet corn and our dryer is running at least one to two days a week. The moistures have been

out of condition very quickly. We have been dumping a lot of 14% to 15.5% wheat, so again please watch your grain.

The fertilizer plant is gearing up for spring. By the time you receive this we may have spread a field or two for you. We have all our liquid fertilizer in place. We are still waiting on a couple of dry fertilizer trains and they should be here before the end of the month. By the time spring does arrive, all our equipment should also be field ready. We have traded three of our oldest terragators and replaced them with machines with a lot less hours. The board and management team have approved the purchase of a new chisel plow (47 ft Wilrich) and stainless steel cart so we should be able to cover more acres this next fall.

As a result of the very cold winter, the frost appears to be down six ft or better which is naturally going to prompt a number of soft spots in the fields. Before placing your orders this spring, please drive your fields with your pickup. If you can get through with it, chances are we can get through it, too. However, getting stuck with a terragator gets very expensive for everyone. Number one, it automatically puts us behind and number two, it is very hard on the terragator and also on your tractor.

Thank you for your business and have a safe planting season.

Rock Pickin' Bars



*From the kitchen of
Chelsea Lundberg*

These easy chocolate chip bars got their name from being taken to the field for lunch where the rock pickin' crew would devour the entire batch.

INGREDIENTS:

2/3 c. butter softened
2 eggs
2 c. brown sugar
2 tsp. vanilla extract
2 c. flour
1 tsp. salt
1 tsp. baking powder
¼ tsp. baking soda
1 c. chocolate chips (semi-sweet or milk chocolate)

DIRECTIONS:

Cream the butter, eggs and sugar. Add flour, salt, baking powder, baking soda and vanilla. Spread into a greased 9x13x2-inch pan. Sprinkle with chocolate chips or they can be mixed in the batter. Bake at 350 degrees for 20 to 22 minutes or until the middle is set. (Better if a little under-baked and, of course, best warm and fresh.)

YIELD: 24 Bars



New Faces AT WEST-CON

JAKOB DEBERG

The West-Con Grain Department welcomes Jakob DeBerg. He grew up and graduated from high school in Springfield, Minnesota. Following high school, Jake attended South Dakota State University where he majored in Ag Business and Agronomy. Jake is currently located at our Hollo-way Office where he is working with Paul Mattson, Chris Aasland and the entire grain department team. He can be reached at 320-394-2171, ext. 213.



Jake has recently made his home in Benson, MN and in his spare time he enjoys archery, hunting, fishing and spending time at the lake. Please join us in welcoming Jake to West-Con.

DARRIN HATLEVEDT

The West-Con Administrative & Operations teams welcome back Darrin Hatletvedt. Previously, Darrin worked for five years as West-Con's Millwright/Maintenance supervisor and before that for Fagan, Inc. in Granite Falls. In his new position, he will work as Project Manager and also will be overseeing maintenance on grain, fertilizer and chemical equipment.

Darrin and his wife, Cheryl, live near Montevideo where their home overlooks the valley and airport. In his spare time, he enjoys steel fabrication (including design and patents), recreation and tournament fishing and seasonal camping. Welcome back, Darrin!



In the Community

BY S. HOFFMAN

For the fifth consecutive year and back by popular demand, employees at West-Con participated in the Annual Chili Cookoff held at the LQPV High School. This is a fund raising event for the local FFA chapter and is held each year at the LQPV vs. Benson high school boys' basketball games.

This year, Team West-Con constructed a "Road Kill Café" and provided customers with a special bagged chili and a "worms in dirt" dessert. A special *THANK YOU* to all who came out to support our Future Farmers of America!!



Capture it

PHOTO CONTEST

Congratulations to **JIM FORSELL** (Murdock, MN), winner of this edition's "Capture it" photo contest.

In Jim's words, "This was taken at the end of our harvest season 2012. I remember it so well because that fall was so dry and dusty. The setting sun in the west was gorgeous, but the full moon was rising in the east. Another bountiful harvest and always thankful to see the combine making the last round."

If you have a photo to submit, please email it directly to: shoffman@west-con.com or contact Editor, Sheila Hoffman at 320-394-2171, ext 238. Thank you.



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If you have stories of interest or would like to be added to our mailing list, please contact Editor, Sheila Hoffman at 320-394-2171 ext 238