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Our Mission:

To be your business of choice,
anticipating customer needs,
and growing a progressive
company.

**"In Business For
Your Business"**

Management Notes

By Darin Marti

Well, here we are, already a month into 2013! It seems like a repeat of 2012 from the standpoint of an above normal temps and below normal precipitation. As the drought continues, we are all concerned about what another dry year will do.

There is always someone who has a chart for something and 20 year charts seem to be pretty popular. I have heard it stated that large rain event years follow a 20 year pattern and I want to believe that. Our last large rain event year was 1993 so I am banking on plenty of moisture this year! Due to the current water level in lakes and ponds, we are better able this year to handle a 1993 rain than we were then.

At this time each year, your Coop board hires an auditing firm to verify the accounting records and review internal controls that are in place. As this is being written, the auditors are in the office performing their magic! I would expect them to be completed by the first of February.

All indications are that 2012 was another successful year for your Cooperative. I would expect yearend financial statements to reflect a slightly better year in comparison to 2011. Considering two drought years in succession for this area, we feel very good about these results. This is your business and without your support, successful years would not be possible. So, thank you for that support!!

The Coop annual business meeting has been scheduled for March 25th at the Houston Street Ballroom in Manhattan. This year you will again be asked to vote on some bylaw changes. Most of these changes are wording clean up and clarification of the bylaws and a couple of items that relate to options the board may use for member

voting and to fairness in the division of equities. As always, there is a director election and this year an open director position in the Manhattan area to fill. The nominating committee will be searching for someone to fill this position. Guest speaker for the evening will be Kelly Lenz from WIBW radio. Please make plans to attend.

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Grain Comments

By Doug Biswell

There was a great deal of information released to traders in the month of January. Early in the month the USDA's stocks and production report provided good support as especially the stocks numbers for corn and beans were bullish. The debate over the lower than expected numbers consist of those who think that stocks are low due to more domestic usage, the other camp says that USDA has just over estimated the production. I am in the "overstating" production camp. I struggle with the harvested acres for corn given the absolutely horrible growing conditions the USA had last summer. In many areas beans got bailed out by some late rains but from reports that I have read, many bean acres burnt up and fell over by the time the rains came. Therefore, they should not be counted in the harvested acres group. Anyway, it is in some manner like having grain in an elevator; the only time you can be absolutely sure how much grain is in that space is when it is empty.

We will see if before this 2013 crop starts getting harvested whether or not our domestic supply runs down to "empty". The higher prices we have seen the last marketing year have decreased demand particularly with corn. The export pace is horrible, and due in part to high feed prices, cattle placements in feedlots are lower. Of course the drought has affected cattle numbers also.

As I have stated many times before the job of the futures market in a situation where stocks are very tight, is to ration demand and that happens quickest and easiest with high prices. Please keep in mind that tight old crop supplies does not necessarily mean new crop prices rally. If we plant the acres that many in the industry are predicting and we have decent spring and summer growing seasons we could see huge price differences from July to September.

Onaga Location News By Brent Beck

Spring is just around the corner, that alone is exciting ☺ !! We have been able to work nearly the whole winter applying lime and fertilizer and have covered a lot of acres. Now is the time to be applying Ammonium Nitrate (34-0-0) to your brome acres. We have worked hard to make 34-0-0 available, and are excited to be able to offer this product to our customers. I have great confidence that with some decent rains and timely nitrate application, you will notice a positive difference in your fertilized brome acres. We have several customers from outside our normal trade territory that have been asking about brome fertilizer applicationsso make sure and give us a call to schedule your fertilizer needs as soon as possible.

Our custom anhydrous/dry applications went well this past fall and we have a good amount of booked acres for spring application. The grid sampling and variable rate applications are becoming more prevalent and offer a great way to stay on top of your soil nutrient needs. With grain pricing and input costs in the current range, it's more important than ever to produce as much yield as possible while managing your input cost. Stop in and visit with us about your input needs and let's see

what we can do to be of service to you.

Seed Oats should be arriving any time and with the current weather conditions I would think that we will see a lot of acres planted for grazing and or haying purposes. Most cattle producers are doing everything that they can to insure that they have something to graze or put up for hay in the coming months. Some of these plans will change the mineral and nutrient needs of the livestock you are feeding so be thinking of what changes you will need to make. The Farmers Cooperative location nearest you will try to anticipate your needs and work with each producer as closely as possible to make sure your plan works successfully.

Have you thought about locking in pricing on your fuel needs for the coming year? We have certainly seen fuel prices a lot higher than they currently are...so you might give some thought to forward pricing your anticipated fuel needs for the coming crop year. We would certainly appreciate the opportunity to help you make an informed decision about forward pricing your fuel needs.

2012 and 2013 have given us the opportunity to make some changes here at the Onaga location. We are confident that these changes will benefit our customer base and allow us to provide a consistently higher level of customer service. Our goal is to provide high quality, fast, efficient, and economical customer service in a professional and business like manner, with every intention of earning and keeping your business. Stop in or call us at 785-889-4226 and let us know what we can do, to be of service to you.

Have a great day!! ☺

Establishing Goals and Expectations By Craig Miller

I wanted to use this newsletter to remind everyone that your goals and expectations may not always be known to the people that you rely on for advice and recommendations and this is the best time of year to let those goals be known. I always try to determine your goals and keep those in mind when making recommendations but sometimes something happens that I didn't know about. What I'm mainly talking about is your future plans for the dirt you deal with. The following are just some examples that I often run into.

A producer that is cash renting a field on a year to year basis and probably has no interest in applying more than that crop needs.

A producer that has kids or grandkids that will take over the operation and wants to leave the soil more productive than when he got it.

A producer that is looking to expand but needs to watch his cash flow so he can act when the opportunity is there.

A landlord that wants to make sure the land isn't being mined.

A landlord looking to sell in the near future.

There are many different stories out there and each one has its own solution. That is why it is very important to make sure your supplier knows your story. Don't assume that we already know what your situation is. My advice and recommendations can vary greatly depending on the customer wants and needs. So whether you deal with us or someone else, your best plan is to make sure you communicate what your plans are. If we can be of any help, please give us a call.



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