



MAY
2013

www.manhattan.coop

BOARD MEMBERS

Hal Mayer - Chairperson
Eugene Berges - Vice Chair
Allan Wegner - Secretary
Tony Akin
David Cederberg
Tom Ebert
Allan Holiday
Mark Scott
Glen Swartz

GENERAL MANAGER

Darin Marti

AGRONOMY

Ken Diehl

CFO

Tony Hieger

ENERGY

Jerry Fenske

FEED

Rod Bohn

FEEDMILL

Rob Ashburn

GRAIN

Doug Biswell

SEED

Dave Stover

Location Managers

Alta Vista - Rick Lucas

Onaga - Brent Beck

Ampride - Jerry Fenske

Westmoreland - Jeff Overbey

Our Mission:

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

**"In Business For
Your Business"**

Manager Notes

By Darin Marti

Your Cooperative held its annual meeting on March 25th at the Houston Street Ballroom in Manhattan. Good food and entertainment was enjoyed by the nice crowd in attendance. Kelly Lenz from WIBW in Topeka was the guest speaker.

The members in attendance also approved a number of changes to the bylaws, most of which related to corrections in spelling and wording to improve interpretation. Major changes improved some district line descriptions, the allowance of electronic voting when not in attendance at the meeting, improved fairness in distribution of equity, and changes to allow the Coop to use Section 199 of the Internal Revenue Service code if the board would choose to.

The membership also re-elected Dave Cederberg and Glen Swartz to the board and elected Mark Scott to replace Stan Moore who chose not to run for re-election.

To recap the financial aspects of the year, Total sales were \$56 million, local income was \$570,000 and total income \$1.2 million. Patronage rates will be \$.135 per bushel on grain and 4.48% on farm supplies. The allocation will be paid this summer with 30% being paid in cash. In addition, the board has approved payment of all revolving fund equity on record in years 90, 91 & 92.

2012 was certainly another eventful year for your Coop. At least a portion of the trade area experienced a second year of drought. Regardless, we were happy to see sales and some volumes increase in the products handled. Investments in facilities and equipment

continued and totaled \$1.4 million with the addition of only \$350,000 in term debt. Financial ratios remain strong which bodes well for the future.

Your board and employees continue to realize the importance of growth to any company. In the market we work in, growth can be a challenge but is essential. In my mind there are several avenues for growth. You can purchase another business, be acquired by another business, take market share from someone, or find a niche market to participate in. I can assure you that we will look at every avenue available to find the growth needed to insure a viable cooperative into the future.

I thank you for your support and participation in this cooperative. We certainly appreciate you working together with our employees to find the best marketing resources and inputs for your crops. I believe that working together we will all benefit and be better for it in the future. Isn't that the reason this Cooperative was formed in the first place?

Energy Department

By Jerry Fenske

With the announcement by Magellan Pipeline and NuStar Pipeline about the introduction of Sub Octane Gasoline, are you aware that Unleaded 87.0 gasoline will not be available on or about September 15, 2013?

I have concerns that most customers do not understand the impact of this decision. Here are some issues associated with this move:

- Unleaded 10% Ethanol 89.0 won't be available (because there will be no Unleaded 87 to blend with it).

- Unleaded 84 will be available but likely only blended with ethanol (making an E10 87 blend).
- Tanks switching from Non Ethanol gasoline to Ethanol Blends will need cleaning. There are very few tank cleaning companies in existence to perform this task.
- Bulk plant storage tanks are more difficult clean than underground storage.

Plans for tank cleaning by September 15th need to be started soon. If one waits until July or August, it is doubtful the tank gets cleaned before September. Making plans for tank cleaning should you switch a tank to ethanol blends should be taking place now.

Please contact me at (785) 313-0532 if you have any questions.

Grain Comments By Doug Biswell

Hey it is May and with spring comes weather markets in North America. It took a while but late planting corn in particular has grabbed the attention of traders. Cool and wet – sometimes – cold and snowy April weather is supportive to corn and wheat. By the time you are reading this most of the damage on the western Kansas wheat crop will have been assessed by the participants of the annual Kansas Wheat Quality Tour, so we will have a much better feel for the prospects for this year's crop. I have seen information from several sources that Southwest Kansas wheat is bad, not only because of cold temps but also the drought continues and they have had insect problems. Western Texas and Oklahoma are also in bad shape. We will see how high we go. A share of the ability of wheat to rally is going to be based on how

high corn goes. The United States farmer will get a crop planted and this summer's weather is going to determine the size of the crop. What is happening now may affect the final yield some but the majority of the bushels per acre will be determined by the weather after the crop is in the ground.

Soybeans, I think, have more factors weighing on how high they may go. With the cool wet weather up north some spring wheat acres may go to beans. Same for some corn acres being switched. Plus the fact that South America did grow a good sized crop and with the basis on beans doing what is it – setting high water marks for this time of the year – I would be shocked if we don't import a substantial amount of beans from South America, so don't be too much in love with your old crop beans. As always if you have any questions or comments please give me a call and thanks for your continued business.

CATTLE MINERAL SALE

March 15, 2013 through May 15, 2013

Receive \$.50 per bag discount (\$20/ton) on qualified cattle minerals. **Purchase 1 ton or more and receive an additional \$20/ton volume discount.** Qualifying minerals include Purina Wind & Rain, Land O'Lakes Pro Phos, and local mixed cattle minerals. Custom minerals do not qualify. Delivery cost is added to the following prices. Some examples:

	Regular price/bag	Promotion price/bag	1 ton + price/bag
Wind & Rain Hi Mag 4% Phos	\$18.60	\$18.10	\$17.60
Wind & Rain 7% Phos with CTC2800G/IGR Fly Control	\$25.00	\$24.50	\$24.00
All other Purina Wind & Rain minerals qualify for discounts			
Pro Phos 8% Phos AU 5600	\$21.20	\$20.70	\$20.20
Pro Phos 12% Phos AU 3500	\$23.50	\$23.00	\$22.50
All other Land O'Lakes Pro Phos minerals qualify for discounts			
Cattle Mineral 8% Phos AU 5600	\$19.70	\$19.20	\$18.70
Cattle Mineral 8% Phos AU 3500	\$18.25	\$17.75	\$17.25
Cattle Mineral 12% Phos AU 3500	\$21.50	\$21.00	\$20.50

Some other local mix cattle minerals qualify for discounts