

HANLEY FALLS ■ MONTEVIDEO ■ COTTONWOOD ■ TAUNTON ■ ELKTON



MINNEOTA ■ GHENT ■ GRANITE FALLS ■ ECHO ■ MINNESOTA FALLS

# FARMERS COOPERATIVE ELEVATOR CO.

P.O. BOX 59, Hanley Falls, MN 56245  
 P.O. BOX 108, Cottonwood, MN 56229

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DECEMBER, 2005

**Hanley Falls:**  
 507-768-3448  
 800-626-2510  
**South Elevator:**  
 507-768-3602  
**Cottonwood:**  
 507-423-5412  
**Feed Mill:**  
 507-423-6235  
 800-423-6230  
**Elevator:**  
 507-423-6489  
**Hardware Store:**  
 507-423-6231  
**Echo:**  
 507-925-4126

**Elkton, S.D.:**  
 605-542-2941  
**Ghent:**  
 507-428-3255  
**Granite Falls:**  
 320-564-3834  
**Minneota:**  
 507-872-6134  
**Minnesota Falls:**  
 320-564-3835  
 320-765-4100  
**Montevideo:**  
 320-269-6531  
**Taunton:**  
 507-872-6161

## Merry Christmas from all of us at FCE

### GENERAL MANAGER

Scott Dubbelde

### COTTONWOOD

Jeff Aker  
 Jacob Albee  
 Stan Berg  
 Nathan Bloch  
 Larry Caron  
 Leonard Doom  
 Joe Fry  
 Don Ginder  
 Gene Goldenstein  
 Tom Huso  
 Jim Jandl  
 Lois Johnson  
 Wayne Johnson  
 Carol Kompelien  
 Cheryl Laleman  
 Kevin Meulebroeck  
 Gary Morken  
 Ron Shemon  
 Tom Staniszewski  
 Jeff Tusberg  
 Todd Unke  
 Judy VanMaldeghem  
 Jerome Varpness

### Part-time

Don Timm  
 Ardyce Louwagie  
 Tegan Laleman  
 Bryce Renken  
 Kathie VanUden

### ECHO

Adam Goschey  
 Russ Hennen  
 Dave Pederson

### ELKTON

Ed langin

### GHENT

John Hennen  
 Doug Sarazyn

### GRANITE FALLS

David Roe

### HANLEY FALLS

Brad Bossuyt  
 John Brandts  
 Willard Burns  
 Bill Doyscher  
 Gary Enger

Steve Fry  
 Lynn Johnson  
 Ernie Louwagie  
 Donna Olson  
 Rob Sorbel  
 Sandi Woelfel  
**Part-time**  
 Dewey Eye

### MINNEOTA

Kevin Johnson

### MINNESOTA FALLS

Kim Malmquist  
 Ray Martin.

### MONTEVIDEO

Tim Buseman  
 John Ehlebracht  
 Sandy Fischer  
 Luis Flores  
 Maurice Zimmer

### TAUNTON

Danny Grengs  
 David Kimpe  
**Part-time**  
 Dean Lichtsinn

## BOARD OF DIRECTORS

Mark Vandelanotte - President  
 Gerald Peterson - Vice President  
 Wes Cole - Secretary-Treasurer  
 Steve Doom • Paul Enstad • Dennis Heggseth  
 Stan Knutson • Paul Kvistad • Dan Stevens

# Make 'Carry Market' work for you

This year's surprise crop size in corn has pushed our spreads, or "carries," to the highest levels we have seen in some time.

This is a normal function of the futures market. It offers a higher price, or "carry," for a later time period to entice the owner of the grain to keep it off the open market.

In essence, it pays you storage via a better price for later delivery.

In order to take advantage of a carry market, though, you have to sell the grain.

In almost all cases, the price for corn, and to a lesser extent beans, is better six months from now than what you can get delivered nearby.

That is where sales need to be made.

Look ahead when making sales. Even consider the fall of 2007, simply because the price is better than now.

At the time of this writing, Accumulator Contracts are not working very well. We continue to

By  
Bill Doyscher  
Risk  
Manager  
Coordinator



look for the best possible values to use for these contracts. With the market in the dumps, there isn't much to work on now, but we will keep looking.

We are considering new "premium" contracts that will give you a boost in income now, and help you market for new crop. We will keep you informed of any new offers out there.

Thank you for your patronage this past year, and have a happy holiday season!

\*\* This information is taken from sources which we believe are reliable, but is not guaranteed. This information is sent to you for informational purposes only. There is a risk of loss when trading commodity futures and options, and is not suitable for everyone. \*\*

## HOLIDAY HOURS

This year, Christmas and New Year's Day fall on a Sunday. The Hardware Store in Cottonwood will be open until 3 p.m. Saturday, Dec. 24 and Dec. 31. All other locations are closed on Saturdays. All locations and the Hardware Store will be CLOSED Monday, Dec. 26, and Monday, Jan. 2, 2006.

The pork production industry is a major component of the Minnesota economy. Sale of hogs generated \$1.07 billion of gross receipts in 2002 which represents only a portion of the overall economic activity supported by the swine industry. Minnesota has the third largest pork industry among the 50 states in the U.S.

## HARDWARE HANK'S DECEMBER SPECIALS

### SHOP VAC

10-Gal. Ultra Plus  
4 hp. **\$59.99**  
Foam sleeve filter **\$2.99**  
Cartridge filter **\$6.99**

### STANLEY

15-inch tool box saw **\$9.97**  
Power black tape  
1 inch x 25 feet **\$6.97**

### TOOL BAG

12-inch big mouth,  
23 pocket **\$12.97**

### ZERO ICE MELT

12-pound jug **\$4.97**  
4-pound pail **\$9.97**

### KEEPER

Tow Strap  
1 3/4 x 15,  
10,000 pound **\$9.88**  
Recovery strap  
2 x 20,  
15,000 pound **\$12.88**  
Tie down,  
300 pound, 4 pk **\$11.88**  
Cam buckle,  
300 pound  
verticle 4 pack **\$9.88**

### DREMEL

Multi Pro kit  
variable speed **\$59.97**  
145-piece super  
accessory kit **\$18.99**

### ROTOZIP

Drywall cut tool  
original **\$64.99**  
Drywall cut tool  
right angle **\$49.99**  
1/8-inch sabre cut  
zip bt spk **\$5.99**

### EXTENSION

### CORDS

brown or  
white cut

6 foot **88¢**  
9 foot **97¢**  
12 foot **\$1.47**    15 foot **\$1.77**

## New additions to fleet speed feed deliveries

By the time you read this newsletter the feed mill should have its new semi feed delivery truck in addition to the three we currently have.

We are also planning some changes in the straight delivery

By  
Gene  
Goldenstein  
Feed  
Department  
Manager



truck, 9- to 16-ton capacity, to make the delivery system as efficient as we can.

The automation of the feed manufacturing is still being researched and studied.

If you have not booked your soybean meal and other feed input needs, prices are still a good value.

Call Wayne or me for pricing and programs that are available.

We have several swine and beef feeder finance programs available at the feed mill for those who custom-feed or own your own livestock and we offer packer contracts for the livestock.

These programs can help diversify your operation and add value to the crops you are already producing.

The manure generated from these operations is increasing in value every year. Call Don, Tom, Wayne or me for more information.

Thank you for using our after hours answering service and fax to place your feed orders.

Early ordering and keeping the snow removed will help us give you the service you expect.

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**The old farmer says the biggest troublemaker you'll probably ever have to deal with watches you from the mirror every morning.**

## Our weather is major yield factor

Corn yields in Minnesota - and our area — have been excellent for the past few years and have exceeded the expectations based on weather and growing conditions during the growing seasons.

Whole field yields during the past three years have exceeded 200 bushels per acre for many growers.

As a result, we may begin to wonder if these high yields are now normal and should we expect them in the future? Or, have they been blips on the yield profile?

We should caution ourselves that a major factor driving these high yields is the environment, which we can't predict very accurately.

How much available stored soil moisture do we have in the root profile going into the growing season? When will the crop get planted? What will the rainfall be—both the amount and distribution during the growing season? What will temperatures be? Will we have extreme temperatures at times when available moisture is short?

It's true that corn breeders have provided us with high-yielding hybrids that appear to tolerate stress with a minimal effect on grain yields (hybrid development is only one of the technologies that has contributed to high corn yields).

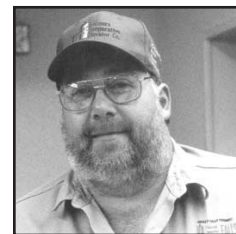
We shouldn't be lulled to sleep expecting that high corn yields are the norm. We need to remember that the weather we get is the major yield limiting or non-limiting factor. Let's hope for a good growing season next year to continue this upward yield trend for corn in Minnesota.

Still, we need to take advantage of everything we can to promote the best yields possible.

All the test plots were taken out without any problems. They all had very good yields, some better than others. It looked like all the Triple Stack showed up very well.

Here are some corn numbers to start thinking about for next year:  
296 TS, 314 TS, 355 TS, 401 TS,

By  
Steve Fry  
Seed Team  
Leader



491 TS (new) and 501 TS. CRW, BR: 296 and 364. RR, BT: 296, 314, 355 and 401.

There are some new releases to be considered, too, including 388 RR (refuge), 388 RR BT, 421 RR BT 491 (new, winter production) and 491 RR BT.

We have several promising soybean numbers available. A few to particularly consider include RC 1303, RC 1703, RC 1799, RC 1820 and RC 2020. Also, RT 1199, RT 1399, RT 1460 (new), RT 1695, RT 2000, RT 2092, RT 2099, RT 2127 and RT 2200. We also have blends 1700 and 1900.

Our product line also includes Northrup King soybeans and corn. Other soybeans available include 194 NN Mustang Cyst NRR.

Most seed size this year will be between 2,800 and 3,200 seeds per pound.

Our wheat seed includes Granite, Mercury and Oxen. We also have oats on hand for those who need it.

Financing is available through Pro Partners Financial.

If you have any questions or concerns, feel free to call me at 507-768-3602.

Make sure you order early to get the best seed size.

The seed department wishes you and your family a Merry Christmas and a Happy New Year.

**The cost of farm equipment continues to rise in 2005. Higher costs for steel and any components derived from petroleum, along with more sophisticated technology, are driving the increases.**

**Prices for good used machinery are holding fairly steady. Used equipment prices were up a solid 15 percent in 2004 and came down only a little in 2005.**

## From the Manager

# Big harvest makes for huge corn piles at FCE

We have now had rain and snow on some of our corn piles so it will make picking them up a little more challenging. At least fall harvest was completed and probably most all the tillage was done before the Winter weather set in.

Thank goodness we have enough corn purchased from you to pick up our outside corn piles.

The corn delivery policy change was not a favorite of ours to imple-



By  
Scott Dubbelde

ment, nor was the most popular policy for you our Patron/Owners. And yet having enough cash corn to be able to pick up our outside piles is huge! This will prevent us from having a disaster like we had in 1998.

We actually had many calls and positive comments in support of our 50/50 policy this past Fall. Thank you for your understanding during the harvest rush!

As of Nov. 28, we discontinued the 50/50 policy and the minimum storage charges.

All grain delivered after Dec. 1 will not be put on Warehouse Receipt or Price Later Contract until the 15th of the month following deliv-

ery. This is the same as last year.

Granite Falls Energy began production Nov. 14. We are busy keeping their silos full. We have an attractive bid you should check out if you are interested in delivering your corn to GFE.

I'd like to close with warm wishes for you and your family this Holiday Season. We have much to be thankful for! Happy Holidays!

## Take LDP and sell the carry

With harvest now behind us let's reflect on this past year's harvest.

Coming into harvest most elevators had a large inventory of old corn. The market peaked in late spring into early summer and then slowly went lower. Many farmers were reluctant sellers, thus carrying corn into late summer and fall before moving to the elevators.

This, along with a huge crop, resulted in lines and huge grain piles. Because of this large supply of corn the Dec.-July corn spread in Chicago got as wide as 30 cents.

The nearby corn basis was also historically wide because of the huge supply of corn resulting in an LDP as large as 52 cents.

From a marketing perspective taking this LDP and selling the carry in the market appears to be good marketing strategy.

The Granite Falls Ethanol plant is

**DEFERRED PAYMENTS**  
Deferred Payment Checks will be ready Tuesday, Jan. 3. We will make every attempt to have your checks to your nearest location by noon.

By  
John Brandts  
Grain  
Merchandiser



now up and running. Your cooperative is contracted to supply the corn for the plant. This gives us another option to market your grain. Check with us before marketing your grain for a corn bid delivered to the plant

With the nice weather we had this fall a lot of grain went into your grain bins during the warm fall weather. We have already seen some heating in the bins. It is probably a good idea to check these bins.

We wish you all a safe and happy holiday season.