


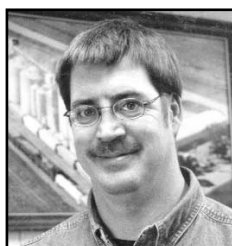
<p>MINNEOTA ■ GHENT ■ HANLEY FALLS ■ MONTEVIDEO ■ COTTONWOOD ■ TAUNTON ■ ELKTON ■ GRANITE FALLS ■ ECHO ■ MINNESOTA FALLS</p> 	<h1>FARMERS COOPERATIVE ELEVATOR CO.</h1>	<p><b>Hanley Falls:</b> 507-768-3448 800-626-2510 South Elevator: 507-768-3602 <b>Cottonwood:</b> 507-423-5412 Feed Mill: 507-423-6235 800-423-6230 Elevator: 507-423-6489 Hardware Store: 507-423-6231 <b>Echo:</b> 507-925-4126</p>	<p><b>Elkton, S.D.:</b> 605-542-2941 <b>Ghent:</b> 507-428-3255 <b>Granite Falls:</b> 320-564-3834 <b>Minneota:</b> 507-872-6134 <b>Minnesota Falls:</b> 320-564-3835 320-765-4100 <b>Montevideo:</b> 320-269-6531 <b>Taunton:</b> 507-872-6161</p>
	<p>P.O. BOX 59, Hanley Falls, MN 56245 P.O. BOX 108, Cottonwood, MN 56229</p> <p>E-Mail: <a href="mailto:fce@mvtvwireless.com">fce@mvtvwireless.com</a> Web Site: <a href="http://www.farmerscoopelevator.com">www.farmerscoopelevator.com</a></p>	<p>MARCH 2005</p>	

*From the manager:*

## Our goal is clear communications

I saw the results of a survey the other day that said the top choice (more than 80 percent) of customers to receive information was via a newsletter.

By  
Scott Dubbelde



We feel that our newsletter is an effective tool to keep our patrons informed. The newsletter has been part of our communication effort since I started here, some 13 years ago.

It is our goal to provide you with timely information that adds value to your operation.

### PERSONNEL CHANGES

Russ Hennen has been hired as location manager at Echo. He replaces Wayne Johnson, who has moved to the Cottonwood Feed Mill as assistant manager.

Wayne joins Gene Goldenstein, who

SCOTT - CONTINUED ON PAGE 4

# ANNUAL MEETING

## Friday, March 18

### 7:30 p.m.

at the

## LAKEVIEW HIGH SCHOOL

### in Cottonwood

- BELGIAN WAFFLE SUPPER
- ENTERTAINMENT BY THE LAKEVIEW JAZZ BAND before the Annual Meeting

WE WILL BE serving Belgian waffles with all the trimmings from 4 to 7 p.m. Bring your appetite. We'll be serving ALL YOU CAN EAT. Spouses and children welcome. We will have 32 waffle irons and everyone can wait inside. The Lakeview High School is located on the north side of Cottonwood, visible from Hwy. 23.

THE BUSINESS MEETING begins at 7:30 p.m. We'll review last year's operations of the Farmers Cooperative Elevator Co. and discuss plans for the current year. We'll also be electing three directors to the board. Profiles of the directors candidates are on Page 3 of this edition.

## Timing has to be right for PL corn

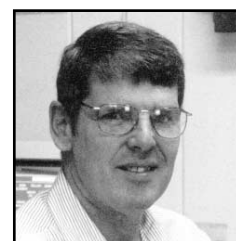
We are receiving a lot of inquiries on free Price Later for corn.

As soon as the basis tightens, the spread narrows and we purchase patron-stored corn at our facilities, we will assess the feasibility of offering a free Price Later Contract for corn.

The timing has to be right.

As Bill mentions in his article, we must be willing to take advantage of

By  
John Brandts  
Grain  
Merchandiser



opportunities as they arise in the market. At this writing, the bean market shot up 17 cents in Chicago. The main factor was dryness in southern Brazil. The funds are covering their short position.

The world supply of beans remains large and the rally probably won't last. It's this kind of market surge we must keep our eyes on and take advantage of.

We are offering free Price Later on soybeans until Sept. 1. This is on a

## MEMO to MEMBERS

FROM SANDI WOELFEL

Patrons who received \$600 or more of interest on their deferred payment checks will be issued a 1099-INT form for the 2005 tax year. These are the payments that were made last month.

The check stub shows this amount as a "premium." In the future, the "premium" description will be changed to "Interest." The interest rate remains unchanged at 3.00 percent.

A change in the federal tax code requires us to do this to remain in compliance and allows us to pay interest on deferred payments

If you have any questions about this change, please feel free to contact me.

BILL - CONTINUED ON PAGE 2

## Don't let opportunities dwindle away

Prices trend lower this time of year.

Between the January crop report and the March Planting Intentions there just isn't much news to digest. In high carryout years like this, the market just can't muster much of a rally on the same old news.

Our opportunities in marketing this year's crop are dwindling away.

Any rally, however small, has to be looked at as a chance to price better than the day before. Selling into rallies is the best defensive position. The rewards are not great, but it is still better than doing nothing.

The new corn "Accumulator" contract has given us just such an opportunity.

It gives us an incentive to get some new crop corn priced. By searching out these innovative types of pricing opportunities, we can provide our patrons with extra services.

The advantage can be two-fold: Giving our patrons a better pricing structure and by giving our cooperative a better marketing structure.

South American soybean production is the market maker now.

With Brazil getting into harvest, early yield reports are good. The recent rally in beans has been somewhat attributed to weather (dryness) in Brazil. I liken the talk about a smaller bean crop in South America to the same talk we had here in the U.S. last fall.

Our carryout had crept up to 1.5 bil-

By  
Bill Doyscher  
Risk  
Manager



lion, then 1.7 billion, then higher. Any talk of a drop back down was viewed as bullish. But is a drop from 2.0 billion back down to 1.9 billion really bullish? No it's not, because it is still too much.

If the Brazilian bean crop is cut by a million or two metric tonnes, the fact remains that we still have the largest Western Hemisphere supplies on hand in more than five years.

Our bean marketing needs to be focused on basis and selling rallies.

Southern Minnesota basis has tightened above historical levels because of added crushing plants. Take advantage of this narrow basis and sell futures rallies. As farmer selling picks up on rallies, basis will widen swiftly and the net result is little chance of better cash prices.

If you want to learn more about locking basis on beans, or the new corn contracts, please call us.

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.

## Change is constant at the Feed Mill

We are certainly having a great winter. I only hope we don't have to pay for it in March.

Change is a constant commodity and this is no different at the feed mill.

Wayne Johnson has joined the Feed Team and taken the position of assistant feed department manager. Wayne has been location manager at Echo.

Larry Caron has joined the Feed Team as a feed delivery driver.

Our goal is to constantly seek ways to make our operation more efficient. We are looking into a totally automated feed manufacturing system. This system is something we're considering to increase our volume of feed manufactured per hour.

This would allow us to purchase more ingredients in bulk, rather than

By  
Gene  
Goldenstein  
Feed  
Department  
Manager



the current bag system.

The Berkshire program is doing very well. We are looking for producers to participate in this program. If you're interested, contact us.

The Consolidated contract is available for our white hog producers. We're talking with John Morrell for a new contract to follow the current one. Some of these contracts expire this fall. We'll keep you informed.

Thanks for placing your feed orders early and supporting your Feed Mill.

## HARDWARE HANK'S MARCH SPECIALS

### WAYNE SUMP PUMPS

- 1/3 hp submersible....\$74.88
- 1/3 hp CI  
submersible.....\$88.97
- 1/3 hp pedestal.....\$43.88
- Latex palm knit glove..\$1.88
- 24-inch steel tine rake..\$3.97
- 24-inch bamboo rake...\$3.97
- 48-inch,  
two bulb shoplite.....\$8.88
- GE 4-foot shop bulb.....\$8.88
- GE 4-foot miser bulb.....\$9.99

BILL - CONTINUED FROM PAGE 1

space-available basis, so you need to contact your location manager before you haul. Also, we have updated our bid structure so that our soybean bid is now equal at all locations.

New crushing plants at Brewster and Fairmont are in operation and there was a short soybean crop in this territory. The local market has become more competitive, allowing us to search out better markets and pass the advantage on to you.

Meanwhile, we are offering a new corn contract called the accumulator contract. This marketing tool is based off the December '05 corn futures. For more information, contact your location manager or call us at either office. It's creating a lot of interest.

Lastly, we are dumping a fair amount of off-grade corn.

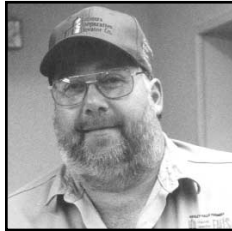
Last year's corn does not seem to be keeping as well as other years. We are seeing some heating and damaged corn.

Check those grain bins on a regular schedule. If you do see damage occurring, it is always better to move the grain than let it go out of condition in the bin.

# Treatment offered for soybean seed

Mother Nature has been tricking us lately into believing that spring is already here. Not yet, but the balmy weather does remind us that we should

By  
Steve Fry  
Seed Team  
Leader



be getting our spring needs in place. We will have access to Soybean Cruiser Maxx Packs this spring. It's called "Cruiser Apronmax."

This is applied to seed beans to fight against yield-robbing pests including aphids and bean leaf beetles. Combined with the power of Apron Maxx brand fungicide, this premium seed treatment will get your soybeans off to a great start and give the plants the best opportunity for early growth.

If you'd like your beans treated, please call me for prices at (507)-768-3602).

### SOYBEAN RUST

One much-publicized threat to the soybean crop this winter has been soybean rust. It remains to be seen if soybean rust will be a problem.

Soybean rust is extremely hard to detect and has the ability to spread very quickly.

One company with a lot of experience is Syngenta, which gathered a lot of data from the problem in Latin America. Syngenta says the most consistent disease control is achieved by a combination of a preventative and a curative fungicide.

Their recommendation is a combination of Quardis (strobilurin) and Tilt (triazole). At this writing, however, Quardis has not been approved to use in the United States. Tilt has received a limited okay for Minnesota. We will keep abreast of their efforts to clear Quardis and keep you informed.

Meanwhile, we have Mercury wheat seed available in bulk at the Hanley Falls facility. We will have the bulk bags at our other locations for your convenience.

Remember, financing can be obtained from Propartners Financial. Applications and information are available by contacting Sandi or me at the Hanley Falls office.

# CANDIDATE PROFILES

Three positions will be up for election for the board of directors at the Annual Meeting 7:30 p.m. Friday, March 18, at the Lakeview High School in Cottonwood. The districts open are Minnesota Falls, Cottonwood and Taunton. Gerry Peterson of Minnesota Falls is running unopposed. The candidates are:

## COTTONWOOD



STEVE DOOM

Steve farms five miles west of Cottonwood. His grain operation consists of corn, beans and alfalfa. He also feeds out cattle and farrows-to-finishes hogs. Steve was a member of the Cottonwood Cooperative Oil board of directors for nine years. Steve and his wife, Brenda, have three children: Cody, 18; Jordon, 16; and Carly, 13.



KIM RUNHOLT

Kim farms some 1,400 of corn and beans south of Cottonwood. He also operates an isowean pig nursery. An outdoor enthusiast, he is a member of the Cottonwood Sportsman board of directors. Kim and his wife, Carolyn, have three children: Jenny, 24; Cody, 20; and Tanya, 15.

## TAUNTON



STAN KNUTSON

Stan is the incumbent from Taunton. He farms some 750 acres about five miles northwest of Taunton, a site designated as a Century Farm in 1976. Stan and his wife, Teri, have three children: Chad, 24; Stacey, 22; and Kora, 13.



JERRY PRIDAL

Jerry operates a grain farm north of Taunton, having been a member of the cooperative since 1977 when he started farming. He and his wife, Tess, have two sons: Garrett, 19, and Stephen, 17.

## MINNESOTA FALLS



GERRY PETERSON

Gerry is the incumbent from the Minnesota Falls district. He lives seven miles east of Granite Falls and has a corn-and-soybean farming operation with his four brothers. Gerry and his wife, Marlys, have three children: Steve, 22; Scott, 27; and Shawna, 30.

### CHICKS ON ORDER

It's time to order your chicks for the 2005 season. We have Broilers, Egg Layers, Ducks, geese, Turkeys and Pheasants. Regular delivery is every other week on Mondays, beginning March 28. Prices vary by breed. Call Lois at the Feed Mill with your pricing questions and orders.

was promoted to Feed Department Manager.

Stan Berg has been hired to be our Cottonwood terminal manager. His ag background will suit him well for the position.

We always introduce the Employee Team at the Annual Meeting. It will help you put faces with the names.

Another change will be in the make-up of our board of directors.

Wayne Lowagie is retiring from the Farmers Cooperative Elevator board this year. We'll definitely miss his insight and leadership. We will be recognizing his contributions at the Annual Meeting.

**MOVING SOON**

The new Hanley Falls office is nearing completion.

It should be ready for us to move into this month. When we are all re-settled, we'll invite you to an open house.

The staff and I are anxious for the office to be done. I'm not looking forward to the move. I probably have items in the office I haven't seen for years and will be surprised when they are unearthed for the relocation.

No pain, no gain, I guess.

**COOP NOTES**



**BINS FOR SALE**

The Farmers Cooperative Elevator Co. is taking bids on four steel bins, located next to the site of our new office at Hanley Falls. Written bids may be submitted at the Hanley Falls office until March 31. FCE reserves the right to accept or reject any and all bids.

John and Bill talk about the new "Accumulator Contract," in this issue. It's worth looking at if you haven't already done so. The first two days that we offered this contract, our FCE Team booked a million bushels with our patrons. Call Bill or John with any questions you may have.

Hopefully, we will be able to report some things concerning the Cottonwood grain theft at the annual

meeting. This, and other important issues, will be discussed. Please plan on attending. We will have 20 percent more waffle irons so there shouldn't be much waiting for supper. The Lakeview Jazz Band will again entertain you before the meeting.

See you March 18th.

**Attractive seed corn offer available**

By STEVE FRY

Seed Team Leader

Croplan Genetics has introduced a new offer for you to consider for your corn plantings this year.

By purchasing and planting 15 units of Croplan Genetics brand Non Round-Up Ready CRW or CRW/BT, you'll receive \$450 off your purchase. It's a good offer for you to consider.

We also have a good supply of CRW/RR and Triple Stack varieties available.

**PESKY WEED**

Woolly cupgrass, typically a hard-to-control weed, continues to challenge some of our growers, as harvest revealed weed escapes. Moderate infestations of this weed can cut corn yields by 15 bushels an acre.

Woolly cupgrass is listed as one of the top three weed escapes in cornfields, according to a recent University of Illinois survey.

As one of the first grasses to emerge in the spring, woolly cupgrass competes with crops for soil moisture and nutri-

ents. It produces large amounts of seed with a relatively high germination rate. Just a handful of escapes can turn into a more serious problem the following season.

Because woolly cupgrass tolerates many corn herbicides, post-emergence applications provide the most effective control.

The NK Brand corn portfolio provides options, including LibertyLink technology for built-in tolerance to applications of Liberty herbicide, a broad spectrum week control chemistry.

This corn can be treated with Liberty for effective week control with no documented resistance issues.

Research supports LibertyLink technology as a valuable tool for woolly cupgrass control. Studies at Iowa State University show that Liberty provides at least 93 percent control of woolly cupgrass one month after application.

The NK Brand, which we offer at Farmers Cooperative Elevator Co., delivers a wide selection of 94- to 112-day Bt/LibertyLink hybrids to fit our area.

**Farmers Cooperative Elevator Company**  
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