

HANLEY FALLS ■ MONTEVIDEO ■ COTTONWOOD ■  
 MINNEOTA ■ GHENT ■ TAUNTON ■ ELKTON ■  
**Farmers  
 Cooperative  
 Elevator Co.**  
 ■ GRANITE FALLS ■ ECHO ■ MINNESOTA FALLS ■

# FARMERS COOPERATIVE ELEVATOR CO.

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**SEPTEMBER 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

## From the Manager No minimum service charge on PL soybeans

I'd like to thank all of our patrons for your patience while we are transitioning to a new computer software system.



By  
 Scott Dubbelde

Experience tells us that each month we will be better at utilizing the software and it will get easier. When we are ready we will let you know about the patron access information.

The new storage bin at Minnesota Falls is half full at this writing. When you receive this newsletter, the new driveway at Minnesota Falls should be operational, the corn piling surface will be tarred and the piling system conveyor should be about half done.

John's article elaborates on the above information.

### Only two changes

Our 2005-06 Harvest Policies are printed on Page 3 in this newsletter. The only two changes are that corn drying will be 4 cents per point and there will be no minimum service charge on Price Later soybeans.

All other charges and discounts

## Coop ready to handle your grain

In the last newsletter I stated that this year's carryout would be between 2.25 - 2.5 billion bushels. Most of these bushels are in the upper Midwest.

Your cooperative has been planning for weeks how to deal with the huge carryout. One of the wood bunkers in Hanley Falls was filled in July. An asphalt base was laid in the large cement bunker in Hanley Falls.

A 500,000-bushel bin has been built at Minnesota Falls in addition to the 2.5-million-bushel piler. The cement silos at the ethanol plant will also be available sometime during harvest.

We also have several shuttle trains ordered for the fall harvest season.

In addition to the extra storage your cooperative has built, the

By  
 John Brandts  
 Grain  
 Merchandiser



dumping hours at the Minnesota Falls location will be extended to better serve your needs. With this extra storage built for fall harvest, shuttle trains on order, and extended dumping hours at certain locations, your cooperative will do its best to handle your grain harvest needs this fall.

### Why so wide?

A question I have been asked many times lately is why the corn basis is so wide. There are a num-

JOHN - CONTINUED ON PAGE 2

## '05 Accumulators working just fine

In past articles I have mentioned the different types of contracts we offer to producers as marketing tools. One of the most recent and successful has been the Accumulator Contract.

These contracts are offered constantly by the marketplace, but are not always attractive enough to justify using them. We try to pick out the best ones and give producers a chance to sign up.

In all cases, they are on a first-come, first-served basis.

If you are interested in using these contracts be sure to call and let us know. We will keep a list of

By  
 Bill Doyscher  
 Risk  
 Manager



producers handy.

I will be looking for a July Accumulator sometime during or right after harvest. This will allow us to sell corn into the summer market. By comparison, using the Accumulator to sell July will typically result in a much larger carry than just using July futures. This is

# Time to start thinking about booking meal

Fall is the time to be thinking of booking your soybean meal and feed needs for the upcoming year. Call Wayne or myself for pricing and programs.

By  
Gene  
Goldenstein  
Feed  
Department  
Manager



In the next few weeks we will be offering booking prices for your beef feed needs. In addition to the Crystalyx tubs we will also have the new Form-A-Lic tubs. Lease-to-own calf creep feeders are also available. Tom and Don will be available to do your feed projections for incoming feeder cattle.

We have three different hog contracts with John Morrell available through Consolidated Farmers Marketing. These are tools to manage your risk and secure shackle space for the future. These contracts have been a very successful risk management tool to assist our producers.

With the rush of fall harvest don't forget that you can fax or call after hours and leave your feed orders on our answering service.

JOHN- CONTINUED FROM PAGE 1

ber of reasons.

One is the cost of freight to the west coast. The freight cost from Hanley Falls to the west coast is more than 20 cents per bushel higher than last year. In addition, car availability is very tight in part because of the disaster at the Gulf.

Shuttle trains that normally cost \$200 per car are now approximately \$600 to \$800 per car. That extra cost equates to another 10 to 15 cents per bushel. These car costs will come down but probably not until after harvest.

The one positive from this is that the loan deficiency payment should be larger because of the wider basis.

## Taking advantage

The next question is how does

the farmer take advantage of this type of market? The grain market will put enough carry to encourage the grain industry to carry corn into the next marketing year.

For the farmer who has available storage space, selling the carry is the best way to take advantage of this type of market. There is already a 27-cent carry from the new crop bid to July.

Whether forward contracting or selling a hedge-to-arrive and rolling forward, your cooperative has marketing programs to take advantage of this type of market.

If you have any questions, feel free to contact the Hanley Falls office or any of the location managers

The trouble with bucket seats is that not everyone has the same size bucket.

## HARDWARE HANK'S SEPTEMBER SPECIALS

6 MIL.\*CLEAR OR BLACK  
10X25 PLASTIC \$9.97

3 MIL.\*CLEAR OR BLACK  
10X25  
PLASTIC ROLL \$5.47

NATURAL BURLAP  
3 X 24 \$5.97

NATURAL BURLAP  
3 X 12 \$3.97

TREE WRAP 3X50 ft \$1.97

16/3 EXT. CORD  
25 ft. w/lite \$7.88

16/3 EXT. CORD  
50 ft. w/lite \$10.88

MOTION SENSOR  
FLOODLITE  
brown or white \$36.88

JERSEY GLOVE  
8 oz 50¢

## BIRD FOOD

NIGER  
20 lb. \$15.97

PRESIDENT'S CHOICE  
20 lb. \$6.57

PREMIUM WILD BIRD  
20 lb. \$3.87

LATEX CAULK 88¢

35 YEAR  
ACRYLIC SILICON  
CAULK Clear or white \$1.39

30 ft. POLY RAKE  
with foam handle \$7.77

42 GAL. LAWN BAGS  
24 ct., 3 mil. \$9.44

WINDOW INSULATION  
KITS NOW ON SALE!

## 2005-06 BOARD OF DIRECTORS

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# FARMERS COOP 2005-06 GRAIN POLICIES

## SOYBEANS

**MOISTURE DISCOUNT:** 1 percent for each 1/2 point of moisture from 13.1 to 15 percent; 2 percent for each 1/2 point of moisture from 15.1 percent and up.

**TEST WEIGHT:** 1 cent per each 1 pound under 54 pounds.

DAMAGE Discount	HEAT Per Bu.	TOTAL Per Bu.
.3 to .5%	2 cents	
.5 to 1.0%	4 cents	
1.1 to 1.5%	6 cents	
1.6 to 2.0%	8 cents	
2.1 to 1.5%	10 cents	3 cents
2.6 to 3.0%	12 cents	4 cents
3.1 to 3.5%	14 cents	5 cents
3.6 to 4.0%	16 cents	6 cents
4.1 to 4.5%	18 cents	7 cents
4.6 to 5.0%	20 cents	8 cents
5.1 to 6.0%	22 cents	9 cents
6.1 to 6.5%	24 cents	11 cents
6.6 to 7.0%	26 cents	13 cents
7.1 to 7.5%	28 cents	15 cents
7.6 to 8.0%	30 cents	17 cents
	32 cents	19 cents

**FM:** All FM over 1 percent will be considered shrink.

**MUSTY/SOUR:** 10 cents per bushel discount.

## CORN

**MOISTURE DISCOUNT:** Shrink is 1.5 percent per point of moisture over 13 percent for storage, 14 percent for Price Later Contracts and Grain Bank and 15 percent for selling.

**DRYING CHARGES:** Drying charges are 4 cents per point from 13 percent for storage, 14 percent for Price Later and Grain Bank and 15 percent for sell-

### NEW CROP FALL DELIVERIES

Warehouse receipt grains have a minimum storage charge of 10 cents for the first 100 days after delivery. Price Later Contracts for corn only have a minimum charge of 10 cents for the first 100 days after grain is delivered.

3-CENTS-PER-BUSHEL PER MONTH THEREAFTER.

ing.

### TEST WEIGHT:

\* 53.9 to 52 pounds: 2 cents per pound.

\* 51.9 to 50 pounds: 3 cents per pound.

\* 49.9 pounds & below: 4 cents per pound.

### REGULAR DAMAGE:

\* 2 cents per 1 percent damage over 5 percent.

### HEAT DAMAGE:

\* 3 percent & more: 1 cent each 1/10th point.

### FOREIGN MATERIAL:

\* 3.1 to 4 percent: 3 cents per percent.

\* 4.1 to 5 percent: 4 cents per percent.

\* 5.1 percent & more: 4 cents per percent.

### MUSTY/SOUR: 5 cents.

## OATS

**MOISTURE DISCOUNT:** 2 cents per 1/2 point 13.5 to 14 percent; 1 cent per 1/10th point 14 to 15 percent. ABOVE 15 PERCENT SUBJECT TO REJECTION.

### TEST WEIGHT:

\* 2 cents per pound from 37.9 to 34 pounds.

\* 3 cents per pound from 33.9 to 30 pounds.

\* 4 cents per pound from 29.9 and less.

## SPRING WHEAT

**MOISTURE DISCOUNT:** 1 percent for each 1/2 percent moisture over 13.5 percent.

**DRYING CHARGE:** 4 cents for each 1/2 point moisture over 15 percent.

**TEST WEIGHT:** 2 cents for each pound under 58 pounds down to 56 pounds; 4 cents for each pound under 56 pounds.

### DAMAGE:

\* 2 cents each 1 percent from 1.1 to 5 percent.

\* 3 cents each 1 percent from 5.1 to 10 percent.

\* Protein premiums or discounts subject to market. Base protein is 14 percent. Any other discounts subject to market.

**\*\*THESE POLICIES SUBJECT TO CHANGE AS MARKET CONDITIONS DICTATE\*\***

**\*\* ALL DISCOUNTS OR LIMITS SUBJECT TO REVISION \*\***

BILL - CONTINUED FROM PAGE 1

because the Accumulator has a higher futures price than the current market.

Taking a big LDP in the fall and selling the carry to summer pays the best in the end for the corn market.

Soybean LDP's are unlikely, but

not out of the question. Minimum Price contracts will work the best on beans because the cost is about the same as storage and interest.

Don't forget to visit the FSA office and get your LDP forms in order.

Each year we have one or two cases where a simple phone call would have resolved or even pre-

vented a lost LDP. A little work ahead of time pays big dividends later.

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

will be the same as last year.

L.P. and natural gas prices are very high. I hope that they settle down for all of our sake. We need reasonable fuel and fertilizer prices to be able to have a decent farming environment.

The Granite Falls Energy Plant is planning start up for early November. The plant is coming along very well and truly will be a state-of-the-art ethanol plant. With Hurricane Katrina interrupting the flow of gas and damaging refineries, the future of ethanol looks even brighter than before.

Who'd of thought that the price of gas would exceed \$3 a gallon?

Our Merchandising and Operations Team is ready to serve GFE.

### Information meetings

We held three informational meetings throughout our territory on Sept. 14. I hope that you had a chance to attend one of these patron sessions.

If you haven't considered filling out a 633 EZ form yet, you had better talk to us or your local FSA office.

With the invite to the Sept. 14 sessions, we included a magnet with our Web site address and the phone numbers for all of our locations. If you need another one please stop in at any location.

**86,310 dairy herds**  
There are 86,310 dairy farms in the U.S., with an average 105 cows per herd.  
The top five dairy states are 1. California; 2. Wisconsin; 3. New York; 4. Pennsylvania; and 5. Minnesota.

### New employees

We welcome our newest employees to our FCE team.

Sandy Fischer works at the Montevideo office.

Ray Martin is now full-time at Minnesota Falls and David Roe will be at Minnesota Falls this harvest and then manning the scale room at Granite Falls Energy for us.

### Well attended

Our customer appreciation pork chop suppers were once again well attended & a great success!

We served more than 1,600 patrons and family members! I always enjoy visiting with our Patron/Owners and it's a great opportunity to socialize with our employee and director team as well as your neighbors.

## GRAIN SETTLEMENT POLICY

Our Grain Settlement Policy is illustrated on the following chart:

**Grain Delivered**

**Storage starts at 5 p.m. on:**

- Sept. 1 - 11**
- Sept. 12 - 18**
- Sept. 19 - 25**
- Sept. 26 - Oct. 2**
- Oct. 3 - 9**
- Oct. 10 - 16**
- Oct. 17 - 23**
- Oct. 24 - 30**
- Oct. 31 - Nov. 6**
- Nov. 7 - 13**
- Nov. 14- 20**
- Nov. 21 - 30**

- Sept. 16**
- Sept. 23**
- Sept. 30**
- Oct. 7**
- Oct. 14**
- Oct. 21**
- Oct. 28**
- Nov. 4**
- Nov. 11**
- Nov. 18**
- Nov. 25**
- Dec. 9**

Starting again on Dec. 1, 2005 and continuing until August of 2006, all open assembling sheets will be stopped at the end of each month. Delayed Pricing contracts and/or Warehouse Receipts will be issued the 15th of the following month for all grain still not sold prior to that day.

**Sign and return the contract when it arrives.**

If you have any questions about this policy, feel free to call the Hanley Falls office at (507)768-3448.

Everyone at the Farmers Cooperative Elevator Company wishes each of you a safe and prosperous harvest season.

**Scott Dubbelde, General Manager**

## Farmers Cooperative Elevator Company

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