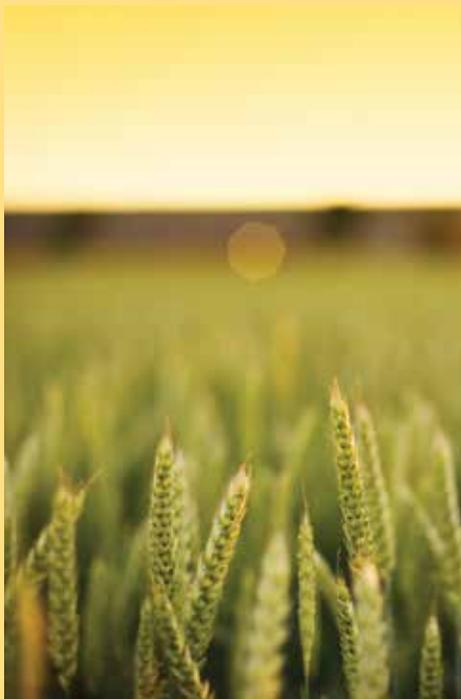




Knowledge • Commitment • Success



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## The Right Decision Isn't Always Easy

BY DALE ANDERSON • General Manager • 308-487-3317 • [dale.anderson@farmcoop.com](mailto:dale.anderson@farmcoop.com)

In late 2013, the Farmer's Co-op board of directors interviewed several candidates—including me—for the position of general manager. I am pleased that the board chose me, and I am looking forward to guiding this great cooperative into the future. Our patrons can continue to expect a high level of service from us and enjoy the benefits of doing business on a cooperative basis.

One of the first major decisions I was a part of making as general manager concerned our feed mill. Since the Oct. 26 fire shut down the mill, we had been outsourcing the majority of our feed production in order to maintain service to our feed customers.

In the months following the fire, we as an organization discussed the entire range of options, from rebuilding a facility with bigger and better capabilities to closing up operations and exiting the feed business. We studied the business volumes and the type of feed consumed in our trade territory, the pricing and margin models of our programs and of our competitors, and our production and delivery costs. We got construction cost estimates for several different designs of mill and storage facilities.

After the analysis, we determined that continued outsourcing of our feed milling is the most viable way to provide high-quality, competitively priced feed to our customers. We have found that existing mills in our market area can produce feed more economically than we can make it. With that reality in mind, investing millions of dollars of the cooperative's equity in a replacement mill is not a responsible long-term course of action, and actually makes us less competitive in the marketplace.

It is our intent to eventually use the undamaged finished feed storage and loadout facility to help keep adequate product on hand and minimize freight costs.

As a customer you can continue to count on quality feed at competitive prices. We remain committed to providing not only feed and livestock products, but also the expertise and services you need to succeed.



### Year-end results

Our fiscal year ended on Feb 28, and I am happy to report that your cooperative had another successful year. Our net savings this year will be \$4.5 million, and this is always a good time to remind everyone that the earnings of your cooperative stay local.

In 2013, we returned \$1.1 million of those earnings in cash to our patrons in the form of patronage and equity redemptions, while at the same time making capital investments in the form of facilities and equipment of just more than \$6 million. The board has also approved an additional \$6.8 million in grain storage capacity and agronomy equipment for the coming year.

Our success would not be possible without your support. We appreciate your patronage and look forward to serving you in the future. ●

# Grain Project a Major Plus



BY BART MOSEMAN • Grain Division Manager • 308-487-3325 • [bart.moseman@farmcoop.com](mailto:bart.moseman@farmcoop.com)

Work is underway on our grain storage expansion project in Hemingford. We're building two 76' diameter x 136' high jump-form concrete silos totaling 1 million bushels of storage capacity. Each will rest on 58 pilings sunk 35' deep, and each piling contains more than seven yards of concrete and 590 lbs of rebar. They're not going

to move. Each tank will have four 60-hp aeration fans.

This project will deliver numerous benefits. First, it will provide increased storage capacity at our highest-capacity receiving leg, resulting in better elevation times for our customers and a higher throughput rate of inbound trucks. Also, additional upright storage will result in less grain on the ground. Typical harvests the past five years have resulted in approximately 2 million bushels of wheat and corn dumped on the ground each year.

The addition will give us more merchandising flexibility. We'll be able to carry more of one crop through the harvest of another. We're adding approximately 800,000 bushels of high-speed rail loadout capacity, bringing our total to approximately 1.8 million bushels. We'll now be able to load out multiple commodities back to back.

This storage is a great risk management tool, too, reducing spoilage and improving overall grain condition. This is accomplished through a reduction in bushels dumped on the ground and in the amount of time those bushels are in ground storage, and due to an increase in aeration capacity in the new bins. Finally, we'll be more efficient because we'll need to truck less grain from the East Elevator to the West Elevator.

## Market snapshot

The political situation in the Ukraine and the threat of a possible disruption of grain flow out of the Black Sea region is causing traders to put premium in the grain markets. Rail system logistics in the U.S. and Canada are also severely slowing grain movement. So, there is a concern that exports from the three big exporters of agricultural products may have to be replaced from somewhere.

With the Ukraine story leading the way, Kansas City wheat has seen a nice upward move the last month or so, giving producers a good opportunity to clean up old-crop inventory and get some new-crop sold too. Risks of delayed planting in the Corn Belt thanks to cold, wet March weather have led to some higher markets for corn. Funds are increasing their long positions in the commodities, which also helps values. So, even with basis backing off, this is still a good opportunity to market old-crop bushels and get a start on new-crop marketing if you haven't already.

We are certainly feeling the railroad's logistical problems in our area. The cost of getting railcars to load has been extremely high, making it uneconomical to ship grain by rail. Typically, Farmer's Co-op ships one shuttle train or more out of Hemingford each month. With a shuttle able to handle 410,000 bushels of wheat or 440,000 bushels of corn, that's a lot of bushels to move by other means.

We haven't shipped any corn by rail at all this year to date and no wheat since December. Therefore, we are fuller than we typically are at this time. However, we have significant truck shipments on the books, so I don't anticipate a logistical problem at harvest time. However, this issue has affected, and will continue to influence, basis levels for corn and wheat.

Please give us a call at 308-487-3325 to talk to Scott, Cole, or me about the grain markets, and let us help you with your grain marketing. ●



# Watching Your Crops Like Our Own

BY MIKE WEISZ • Agronomy Division Manager • 308-487-3317 • [mike.weisz@farmcoop.com](mailto:mike.weisz@farmcoop.com)



Staying on top of your growing crop is crucial as we move into a period of tighter margins. We realize that every bushel counts, which is why we've created our new Topline Scouting program.

Our Topline program begins at planting, when your field will be scouted to ensure population goals are being met and planting depth is appropriate. We'll then

scout your field once a week throughout the growing season and generate a weekly report, which we'll review with you within 48 hours. If you're unavailable, we'll email your report and follow up with a phone call.

The weekly report will include a general overview of the crop, any noted diseases, weeds and insects, the results of any pest and disease control applications, crop growth stage, and pictures. We will also take tissue samples at the appropriate growth stage, as well as offer the WinField™ R7® program at a discounted rate.

Topline Scouting is another service we're proud to offer to help you maintain high yields and improve profitability.

## Facility ready for spring

Our new fertilizer facility in Hemingford is open for business. Thanks to a computerized Waconia Tower mixing system with a batch mix time of roughly four minutes, our efficiency, accuracy, and consistency have taken a massive step forward. You'll notice the difference this spring.

We now have just short of 7,500 tons of dry fertilizer capacity between the Gordon and Hemingford facilities. The additional capacity on the rail in Hemingford gives us much greater buying power and flexibility to place more product at better rail prices into the other locations as well.

To get that product onto your fields, we've added a new 8300 TerraGator® with an Airmax 2 spreader box. This setup allows us to spread two products at once, which is important as we do more and more prescription-based, variable-rate application. We're also adding two

Case® 3330 sprayers with 100-foot booms, one to be stationed in Gordon and the other covering both the Hemingford and Hay Springs areas.

Another tool we'll be able to offer this coming season is the DuPont™ PrecisionPac™ custom blending service. The PrecisionPac equipment allows us to custom blend any combination of five different dry herbicides into a single, sprayer-ready bag. This enables us to precisely target the particular weed matrix in your field, delivering better control and better cereal-grain yields.

Finally, we've added three new members to our agronomy sales team—Miles Buskirk, Rich Haller, and Chris Puncochar. You can read what they had to say about themselves below.

With spring upon us, our equipment is ready and so are our people. Put us to work for you.

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## Rich Haller

I grew up on a farm/ranch southwest of Gordon, and started working at Farmer's Co-op in 1994. I've been part of the agronomy department since the spring of 1997. In my 16 years as an applicator, I've seen a lot of changes in farming practices and met a lot of people who are now good friends of mine.

I will be looking at your crops through a different windshield now, and will also be in the office from time to time. I am looking forward to talking with growers and watching your crops all season long instead of just seeing them once in the spring.

## Miles Buskirk

I grew up on a farm north of Alliance, NE. I attended the University of Nebraska-Lincoln for three years, interning at Westco in Alliance for two of my college summers and Midwest Farmers Co-operative in Elmwood, NE, for the third. I worked as a location manager at Midwest and as a sales agronomist at Frenchman Valley Coop before accepting a sales agronomist role at Farmer's Co-op, which allowed me to move back to Alliance.

My favorite part of the job is trying new things. I like seeing what does or doesn't work, and applying that knowledge to help growers reach their goals.

## Chris Puncochar

I had my first opportunity to work with Farmer's Co-op two years ago when I interned with the company. I graduated with a double major from Chadron State College in Range Management and Livestock Production. My favorite part of the job would be getting out and looking at the problems that a field may or may not have. ●





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## *Fending Off Flies*

BY TIM TANKERSLEY • Feed Division Manager • 308-360-1406 • [tim.tankersley@farmcoop.com](mailto:tim.tankersley@farmcoop.com)

The horn fly is considered one of the most economically devastating pests of the beef cattle industry. The insect causes annual losses of between \$700 million and \$1 billion.

Because of horn fly feeding and the sheer numbers of flies present on the animals, cattle expend a great deal of energy defending themselves. This results in reduced grazing time, elevated heart and respiratory rates, decreased feeding efficiency, and reduced milk production in cows, which can result in decreased weaning weights. For feeder cattle, it's easy to see the negative impact this would have on daily weight gain.

It is not uncommon to see large numbers of horn flies on each animal. Each fly takes between 24-38 blood meals per day. These large insect numbers and repeated feeding patterns can result in substantial blood loss.

### **Battling the bugs**

So how many flies are too many, and what can be done to cut their numbers? Research has established that calves and dairy cattle cannot endure high numbers of flies without sustaining measurable damage. Threshold levels of 50+ flies on a lactating dairy cow and 200+ flies on a beef animal are the points at which fly numbers become economically significant.

There are several chemical control methods that can help manage horn fly populations. Ear tags impregnated with

insecticides have been used for some time. In herds affected by horn flies, heifers with ear tags gained up to 50% more weight per day than untagged control heifers. More recently, pour-on insecticides are being used.

The use of back rubbers and dust bags can aid control when they are placed where cattle are forced to brush against them. When insecticide is reapplied to these devices every two to three weeks, they are reasonably effective for managing horn flies.

Feed-through applications have gained popularity in recent years. These pesticides are injected or topically applied to cattle, who take in the pesticides and pass them unaltered into their manure. The pesticide in the dung can significantly reduce immature horn fly numbers for up to two months after application. However, since the adult flies are not killed and new adult flies may emigrate from nearby untreated herds, feed-throughs are not cure-all treatments.

Ultimately, the use of an integrated pest management approach that utilizes several methods in tandem will provide the most effective control of adult and larval horn fly populations. A rotation of chemicals with different active ingredients and different application techniques will provide the best control and help minimize the development of resistance.

We offer a complete line of minerals fortified with Altosid® to start your fly control program. We can help you develop a plan that best utilizes the available tools to combat flies and maximize your profits. Talk to one of our feed specialists today. ●