

Input Pricing Trends Vary as Spring Nears

By Russ Daley, Assistant General Manager/Agronomy Department Manager



As planting nears, our thoughts naturally turn to input prices. Dry fertilizer prices remained relatively flat through winter and look to stay that way through the next six months. Liquid fertilizer, however, is another matter, with prices continuing to climb as we head into spring. In terms of availability, UAN supplies appear adequate, but liquid phosphate is very short, with some blends already unavailable. Contact us for specifics on phosphate availability.

Some of you have already begun to lock in your nitrogen fertilizer needs for 2012, particularly those offsetting input purchases with grain contracts. Most of you are holding off on phosphates to see what happens with pricing.

And chemicals?

With crop protection prices climbing this month, you'll want to talk to our sales staff quickly. You don't have to pay for your product yet—just let us know so we can get it on hand and beat the price increases. The exception could be glyphosate, which has been very flat and looks to stay that way through spring. However, that

could still change depending on the cost of fuel. Stay in touch.

With commodity prices at these levels, farmers are going to throw everything they can at their crop this year to squeeze out every last bushel. That could cause some product shortages, with fungicides being one possible concern.

Our fleet is ready to go, with seven dry floaters—including three brand new machines—available company-wide for fertilizer application this spring. We have eight row-crop machines and two liquid floaters ready to handle weed and pest control.

Not too late

We've still got quality sunflower, corn, soybean and milo seed available. Seed size options, however, are limited on sunflowers and corn. Don't wait too long on those. If you're looking for spring wheat seed, please talk to your salesperson quickly so we can get your bushels locked in.

Roundup Ready® alfalfa is available again with a large selection of varieties. All farmers have to fill out a new seed tech agreement this year on any and all seed products. Call me if you have questions, and have a productive spring. ▀

Making the Most of the Markets

By Jeremy Frost, Grain Marketing Manager



One increasingly important role of the grain department at Midwest Cooperatives is helping producers like you manage and diversify risk. Our grain marketing team can work with you to develop an overall strategy or help you fine-tune your existing program.

Our goal in the grain department is to help you not only manage risk but also capture profit opportunities presented by the extremely volatile commodity markets. Those profit-taking windows can be small, which is why we recommend setting target price levels and placing orders that we can execute when the markets hit your targets.

The markets move so quickly that we rely heavily on electronic communication to keep you in touch with the latest trends.

In December, we started a blog that provides timely information on the markets and marketing strategies. We also send out opening and closing market comments on a regular basis and post them on our website as well.

I expect the rollercoaster we experienced in early March to continue—and possibly intensify—in the coming months. Beginning with the planting intentions report that just came out, the market will be responding to various factors, including the potential of flooding in the Red River Valley, how quickly planting gets underway, macroeconomic factors like the Japanese earthquake and tsunami and, as always, the weather.

Keep a close eye on the markets or, better yet, place your orders and let us watch them while you get your crop in the ground. Don't hesitate to call us with any questions you have. ▶

Believe It or Not, Spring Is Here

By Justin Parker, Feed Department Manager

Some days this winter, we wondered if we'd ever see green grass again. But it's here, and that new growth brings with it the threat of grass tetany. We hope all of you took advantage of our mineral promotion and lined up your supplemental magnesium needs. If not, we have a variety of options in our Payback® mineral line and SmartLic® tubs to get that extra magnesium into your cattle this spring.

Right behind that tall grass come the horn flies, and we've got products to help you meet the mineral needs of your cattle and fight flies at the same time. Choose from our Payback minerals or SmartLic tubs with insect growth regulator (IGR). Personally, I recommend the tubs for two reasons: controlled consumption and a two-year shelf life.



Finally, with breeding season nearly upon us, we have a great supplement specially designed to boost fertility. SmartLic's FlaxLic® tubs feature high levels of omega-3 fatty acids derived from flaxseed. The benefits of FlaxLic omega-3s include: increased sperm count and motility, greater feed efficiency and increased weight gain while meeting all supplemental mineral needs. FlaxLic is great for show cattle and horses too.

If you have any questions about your mineral program or any of our products, give me a call or drop into one of our locations. ▶



Investing in You

By Milt Handcock, General Manager



It's tough to make great decisions when you don't have all the information. What you're holding in your hand is just one of the steps we're taking to make sure you are as informed as possible about everything your cooperative has to offer. We're also retooling our website and continuing

to fine-tune our electronic communication in order to provide you with information in the form you prefer to receive it. We welcome your feedback on this first edition of our newsletter.

The business that pays you back

For those who missed the annual meeting, let me recap the financial highlights. Our total patronage was \$7,057,299, of which we returned \$2,470,055 in cash. Our patronage rate on spring wheat was roughly 25.5¢ per bushel, sunflowers more than 56¢ per cwt, and 6 percent on crop protection products.

Those numbers emphasize one of the benefits of doing business with the company you own. Unlike other businesses, a portion of our profits are returned to our patrons—and ultimately find their way into the communities in which we live. The past three years have been extremely good for Midwest Cooperatives and, as a result, for you as well.

Building for better service

Good years also provide the opportunity to improve our facilities in order to better serve our customers, and our project in Onida is a good example. We're building a 300,000-bushel bin and installing a new 5,000-bushel-per-



The command center for our new state-of-the-art scale system in Onida.

hour drier. We're also putting in a new receiving pit and 20,000-bushel-per-hour leg.

We've also installed a second scale so we can weigh inbound and outbound loads separately. The scales are controlled by a state-of-the-art card-reading system that allows you to simply swipe a card to provide all your information. Currently, we're sweeping the cards on the scale, and we've received a lot of positive feedback. Once everyone is familiar with the system, we'll be using the cards at the remote probe, which will help move traffic through even faster. And that's the ultimate goal—to keep you moving so you can get back to the field.

In Pierre, we are installing a new bulk seed facility with a treater for inoculating beans and treating wheat. The board is aggressively evaluating other capital improvement needs in other locations, so watch for more projects in the future. ▀

Store Now, Pay Later

By Ed King, Energy Department Manager



Is your fuel tank on its last leg? Or do you just need more capacity to take advantage of favorable fuel pricing? Either way, we've got you covered. We are selling 1,000- and 2,000-gallon fuel tanks at cost. You have three years to pay for the tank with no interest, as long as you purchase your fuel from us.

We can also put monitors on your new and existing tanks,

enabling us to do consumption billing. If you think you've scheduled delivery at the market's low point, pay for all your fuel at once. But if you feel the market is going to stay level or drop, consumption billing lets you pay for the fuel as you use it rather than when it's delivered. We have quite a few customers who love the monitors and consumption billing.

Of course, we also offer a full range of fuel, diesel and propane contract options. The energy market continues to be highly volatile, so call us for market insight. ▀

www.midwestcooperatives.com



Precision Pays

By Matt Richmond, Next Level Agronomist



We had a very successful year last year with our Next Level precision ag program. We saw positive results from variable-rate fertilizer application on both small grain and row crops and extremely good results from variable-rate planting in corn.

For those of you who aren't familiar with our Next Level zone-based ag management program, we utilize satellite imagery, yield data and soil and elevation maps to create management zones within a field. Then, we develop a variable-rate prescription for each of these zones according to their unique yield and profit potential. Finally, we administer the prescription using your equipment or ours.

The result is a farm that is managed on an acre-by-acre basis, enabling you to place your high-value inputs—seed and fertilizer—precisely where they will deliver the best return. And unlike some programs, where the agronomist hands you a zone map and walks away, our program is focused on one-to-one interaction between you and our agronomy team. Our agronomists have the training and experience to make a difference in your operation, and we'll walk through the process with you from start to finish.

If your equipment isn't outfitted with precision technology, we're usually able to retrofit it. Even though we've signed up all our Next Level acres for the 2011 season, it doesn't hurt to call, go over the program with us and get a jump on next season. ▶