

OCTOBER  
2015

## Project Complete: Philip Has Boomed



» *By Milt Handcock, General Manager*

You're a key part of our growth, and over the last three years, you've watched our Philip facility boom in three phases. Now, I'm

proud to say the expansion project is complete!

Growing in Philip has been an exciting process for us, but the benefits for you make this investment most worthwhile. The new, state-of-the-art facility offers all the conveniences you need and technologies you expect to help increase efficiency from A to Z.

We started the expansion with a new fertilizer plant, which was immediately well received.

Phase two brought the addition of two 400,000-bushel bins served by a 20,000-bushel/hour receiving pit and leg. A 60,000-bushel/hour bulk weigher for rail loadout was an especially exciting feature. The inbound and outbound scales coupled with high quality technology like the remote probe and ticket printer keep you in the truck and get you on the road faster. The automation has made a real difference to our producers.

It's been a busy time of growth for us, but that growth has been fueled by you! We are grateful to be partners with some of the best producers in the business, and we look forward to continuing to serve you.

### Growth keeps team moving

Just as our producers and facilities grow, so do the career paths of our team members.

Bret Kramer, our Onida Location Manager, recently earned a CHS promotion and was named the new General Manager at CHS Edgeley, North Dakota.

Bret started with CHS in 1993, and he joined Midwest Cooperatives in 2003 as an agronomy salesman. We've been fortunate to have him on our team!

Under his leadership, grain receipts improved from 6,000,000 to over 20,000,000. Bret oversaw the construction and implementation

of the new 120-car shuttle track and so much more.

We're going to miss Bret. Yet, we wish him the best and are very proud of the all he has done and will continue to do as part of the CHS team!

While Bret's promotion is a fantastic opportunity for him, it's also an opportunity for other Midwest Cooperatives team members. One of our goals is to empower employees to move up within our company. We want our team members to grow and believe investing in employees means investing in our producers' futures, too.

Change is constant, and though it can be uncomfortable, we're excited for all that lies ahead at Midwest Cooperatives. I hope you are, too. Thanks for being part of our team! ■



### THIS ISSUE

*Don't forget your monitors! Find our pre-harvest yield mapping checklist inside.*

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# Are You Ready?



» *By Jeremy Frost, Grain Marketing Manager*

We've finished wheat harvest, are right in the midst of wheat planting season, and will soon be in the full swing of fall harvest. In our trade area,

we have more diversification of acres compared to those over in the Corn Belt. We have seen more row crops extend west over the past several years, too. Even some of our trade area that was traditionally wheat has changed.

## So my question is, are you ready?

From a long-term perspective, are you ready for the number of changes our industry—especially our trade area—will see when it comes to production, rotation and possible markets? Short term, are you ready to have a solid grain marketing plan that keeps you proactive instead of reactive?

You know our area isn't the Corn Belt. We're different, and that's a big reason why we all love this area. Diversification in our trade area is necessary, which means you have even less time to accomplish even more.

In the Corn Belt, farmers basically plant one crop in the spring and harvest it in the fall; in theory, that means they should have ample time to develop a proactive marketing plan.

In our area, guys plant crops for several months in the spring. Then, they harvest a couple crops for a month or two in the summer followed by planting another crop in the fall. Of course, we can't forget fall harvest. This doesn't count any of the spreading, spraying or other requirements in between, and we haven't yet accounted for the added responsibilities of those producers who also have livestock!

It's clear to see producers in our area must spread their energy and resources thin throughout the year. So how do you make sure you are ready in terms of a grain marketing plan? How do you make sales? What causes you to make a sale? Are you making sales that make sense, or are you making sales only when you have to?

To be ready for grain marketing, you need to consider factors such as your break-even, bin situation, price outlook and

more. The main thing is to have a consistent style of marketing. It's not wrong to make your sales pre-harvest or post-harvest. It's okay to use a combination of sales tactics. But, the key is to make consistent decisions using consistent methods.

Don't be a pre-harvest marketer one year and a post-harvest marketer next year without clear, careful evaluation of your operation goals. Be consistent in your thinking. Each type of marketing has its own benefits, and you don't want to miss those benefits.

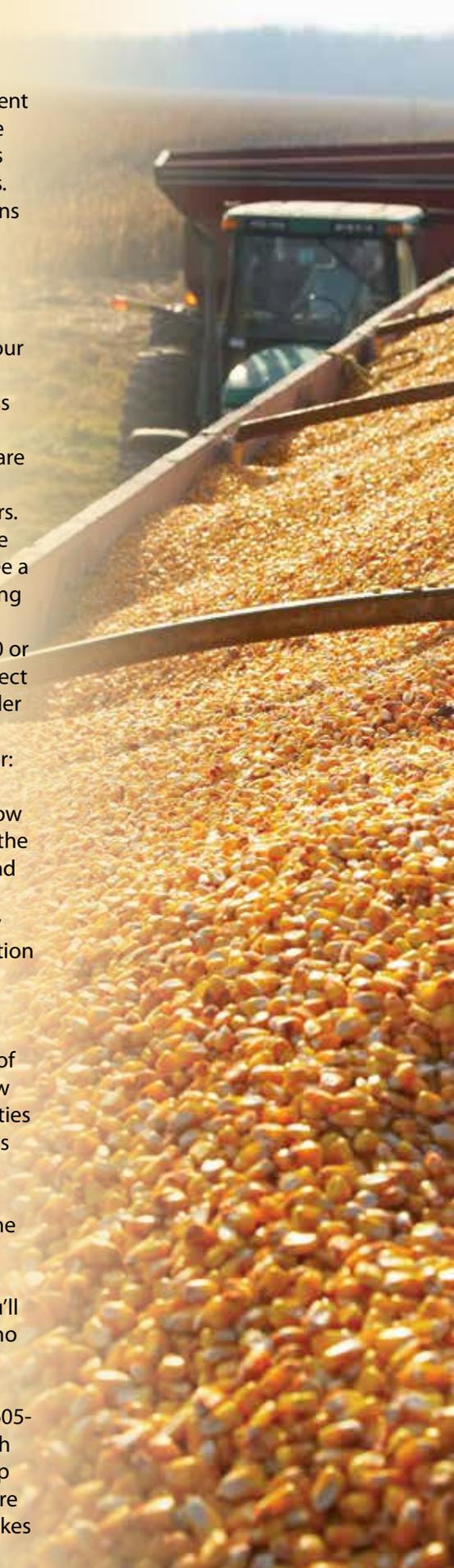
In the grain markets, we need to prepare for USDA reports and future carryout/production and supply/demand numbers. As an example, if we see corn yield in the coming reports under 165, we should see a rise in prices—increases toward the spring highs. If we see yields of 160 or less, we could still see \$5-plus corn. If we see 170 or 175 in the reports, it's reasonable to expect corn prices under \$2.50 cash—even under \$2 isn't unthinkable.

There are a lot of questions to consider: Will we see wheat acres down hard with prices well below cost of production? How will the outside markets shake out over the next several months? Will China's demand fall out of bed? Will the U.S. dollar rise dramatically or fall hard? Will we see any weather events relating to grain production such as an early freeze in the U.S. or dry weather in other countries? Will interest rates change?

Bottom line—are you ready for some of the good possibilities we could see? How about some of the less exciting possibilities like prices well below breakeven? What is your plan for either event? How are you going to capture a rally while not being uncomfortable if prices go under extreme pressure?

Your marketing plan has never been more important. If your plan is solid, you'll find yourself in a comfortable situation no matter what happens in the markets.

If you need help developing a grain marketing plan, please give us a call at 605-258-2687. We have tools to help you with risk management, and our team can help keep you proactive yet comfortable. We're here to help you develop a plan that makes sense for you and your operation. ■



# You Can't Run on Empty

» By Ed King, Energy Department Manager



The rush of fall harvest will soon have everyone running full speed. Make sure you're letting us keep you from running on empty!

Now is the best time to get your tanks full. We saw spot outages in July and August, and shortages are not uncommon in the fall. To avoid costly downtime and hassle, top off your tanks.

While you're making plans to keep your tanks full through harvest, consider contracting for your LP needs, too. We're dealing with historic lows on propane, so now is clearly the wisest time to contract for the upcoming winter months.

Once you get your tanks full and your propane locked in, don't forget to contact me for help with your SPCC compliance. The regulations and plans were finalized this summer. We can now tell you exactly what's expected and how you can make it happen.

Stay safe this harvest season, and remember—it's easier to run on the top half of a tank than it is to run out on the bottom! ■



# Avoid a Cash Flow Crunch

» By Rich Henderson, Credit and Finance Manager



Don't let the crunch of harvest season and tight margins put the squeeze on your cash flow! Our credit and finance team offers great experience, guaranteed confidentiality and competitive rates when it comes to financing options.

Our financing programs are simple, and they are designed to keep your business flowing. With declining grain prices and high inputs, now's a wise time to see what we can offer. If you're a livestock producer, we've got beneficial financing options for you, too. Give us a call at 605-295-3503 or stop in to see what we can do! ■

# Monitor Your Monitors for Peak Performance

» By Joel Loseke, Precision Ag Specialist



You've got a lot on your plate as harvest season barrels in. With tight margins and full schedules, you don't want to overlook any detail, especially when it comes to the technology in your harvest equipment.

Accurately collecting and recording data is one of the most vital parts of any management system. When your equipment monitors are properly maintained for high performance, you can trust the data to be a sound measurement of your cropping goals and management practices.

Specifically, yield monitors determine yield by measuring mass flow of grain through the combine, moisture content and the area harvested, which is measured by multiplying the header width by the distance covered each second. Yield is then estimated as a product of all the components being measured. Knowing and trusting your yield information is key!

Many factors affect yield estimates and accurate yield maps. To ensure peak performance, consider the following checklist when calibrating your yield monitor.

## Pre-harvest Yield Mapping Checklist

- Create backup and/or remove any prior year operational data
- Confirm or set up grower, farm, field ID in monitor
- Confirm the correct operating DGPS signal (RTK, WASS, etc.)
- Confirm correct header width and/or row crop head configuration for each crop
- Temperature calibration
- Vibration calibration
- Distance/area calibration
- In-field weight calibration (specific for each harvest crop)
- In-field moisture calibration (specific for each harvest crop)
- Repeat previous two steps if there are major changes in crop, moisture, weather and/or yield conditions

As you prepare for the window time of harvest season, I also encourage you to consider fall zone soil testing. We're already busy sampling fields for the 2016 crop year, so give us a call to get on the list. It's more important than ever to make sure you're maximizing every dollar you invest. Soil testing is a reliable and reasonable way to input only what's necessary to achieve your 2016 crop goals.

Contact Ben Miniham or myself at 605-222-1993 with any questions or for help setting up your fields and monitors this fall! ■

*Our success is  
measured by  
yours.*



## Plan Now for Fall Success



» *By Justin Parker, Feed Department Manager*

In the livestock world, we know all about “making hay when the sun shines.” Right now, the sun is shining when it comes

to fall and winter preparations!

Weaning is well underway, and it’s crucial to make sure your entire herd’s needs are met.

We’ve got products from our Head Start weaning pellets to protein and mineral supplements, all designed to help lessen the stress of weaning. Now is also a fantastic time to let us test your

water and forage in order to develop a complete weaning ration customized just for you. We can help you maximize your investments at every point by analyzing feedstuffs you have readily available and filling in any gaps that may exist.

With the market staying strong and projections indicating a change in 2016 through 2017, it’s a good idea to make sure you’ve also evaluated your cow herd with a keen eye. Culling cows not carrying their own weight in the herd means you can better concentrate on your profit-makers. To help maximize your herd health—especially in

preparation for winter and calving—we offer a wide variety of products like SmartLic® tubs and more.

Our cake booking for fall and winter will be available soon. You can find the information online in October, or you can call me at 605-280-5518 to visit about your options.

This can be a stressful time for your cattle and for you. If you’re interested in financing options, remember we have a 0% Same As Cash option available. We also offer volume discounts. Please be sure to get ahold of our team to answer any questions you have and review options we have available. ■

