



SEPT
2014



Transformation Underway in Philip



» *By Milt Handcock, General Manager*

In late 2012, we announced our plans for a three-phase facility expansion in Philip. The first phase, the new dry fertilizer plant, is nearing completion. Now we're moving into phase two, which will address the needs of our Philip-area grain customers. We will build

two 400,000-bushel bins served by a 20,000-bushel/hour receiving pit and leg.

We'll also be building a 60,000-bushel/hour bulk weigher for rail loadout. The improved grain setup will also feature separate inbound and outbound scales, both 120 feet long. The inbound scale will be served by a remote probe that will probe trucks before they reach the scale, and the outbound scale will feature a remote ticket printer that will allow you to get your ticket without leaving your truck.

All of this will be automated through a PLC system that connects the inbound and outbound scales. This system will enable producers to weigh in and out with the swipe of a card similar to a credit card. The card will be preloaded with

all the information pertinent to the grower—field numbers, truck numbers, landlord splits and the like.

This new capacity will be connected to our existing facility for blending purposes. We will still receive grain in the existing elevator as well as at the new pit.

Down the road

Phase three of the project is yet to come. That phase will consist of two more 400,000-bushel bins, two 7,500-bushel/hour grain dryers and a second 20,000-bushel/hour receiving pit.

Bids have already been let, and construction on phase two is expected to start this month.

The board of Midwest Cooperatives has been impressed with the growth at the Philip location. We are pleased to be able to reward the loyalty of our western South Dakota producers with a state-of-the-art facility in Philip that will exponentially increase speed and space. The result is increased efficiency at the elevator and on the farm. ■

Mark Your Calendar!

» *By Jay Baxter, Philip and Kadoka Location Manager*

We're just tying up the loose ends at the new fertilizer plant. The facility looks good, and it's certainly captured the attention of the community. Folks can't wait to get inside and take a look around, and we're happy to provide an opportunity to

do just that. We'll be hosting an open house Sept. 12 from 10 a.m. to 5 p.m. (MST). Lunch will be served from 11 to 2. We look forward to seeing you there. ■



THIS ISSUE

Read how we have dealt with grain backlog on page 3.

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PIERRE • BLUNT • PHILIP • HIGHMORE • ONIDA • DRAPER • KADOKA

Board Spotlight – Burjes Fitch

There haven't been too many years in the past 25 when Burjes Fitch hasn't been serving on a cooperative board. Currently vice-chairman of the Midwest Cooperatives board of directors, Burjes started his board service in the late 80s with the Cenex cooperative in Philip prior to the merger. He hails from the Milesville/Philip area and still farms the ground his parents homesteaded in 1907.

"We're starting the fourth generation and leaning towards the fifth, with all the grandchildren coming up," Burjes says. Crops and cattle aren't all he and his wife, Cheryl, have raised over the years. They have eight children—Trevor, Tanya, Tasha, Truett, Tyneal, Tyliisa, Theo and Tiana—and 25 grandchildren at last count. The three boys farm with Burjes, and together they manage the cattle herd and grow winter and spring wheat, corn, millet and safflower.

Larger farms supporting multiple generations is one of the changes Burjes has seen in his long agricultural career. While he recognizes the challenges that situation presents as farming operations work to sustain several families, he appreciates the chance to work with—and learn from—younger family members.

"I've got to give this younger generation a lot of credit," Burjes comments. "These kids are pushing change. They understand and enjoy technology and have access to a lot of information, and that's a good thing. One of the challenges for the cooperative is staying ahead of them and figuring out what they are going to need from us going forward."

It's different out here

Burjes notes that farmers in the eastern portion of the state can't believe some of the farming practices that work on the Fitch farm. But, as anyone west of the Missouri knows, farming is different out here.

"Depending on the year, this country can be a dream or it can be pretty ornery," Burjes says. "Technology has really changed how we farm. This used to be summer fallow and wheat ground. Now we can grow corn and we plant every acre every year. Stripper headers on our combines allow us to leave a lot more residue, which helps retain the moisture we do get. Now variable-rate seeding is just coming into this area, and it's going to be a big deal here.

"Growing corn here does take a different approach, and this is what amazes farmers back east," he continues. "We're planting at rates of 9,000-12,000 seeds per acre. It was bone dry when we planted last year, but we had some timely rains and got 120 bushels per acre on that corn. If you tried to plant populations similar to those planted in the east, you would have issues out here."

As a patron of the Midwest Cooperatives Philip location, Burjes welcomes the changes taking place there. "The improvements were needed, and these projects are pretty exciting for us and for the farmers and ranchers in this area," he says. "We're really at the western edge of agriculture here, and we have a need for the improved availability of fertilizer and increased grain storage capacity in this region. Seeing that kind of investment here is very encouraging." ■

Give Your Wheat the Edge

» By Ross Sprinkel, Agronomist

As you get ready to put wheat in the ground over the next few weeks, it makes sense to give your crop every advantage. That's why we're believers in treating wheat seed to help that seedling establish a strong root system and improve nutrient uptake. Our primary treatment for wheat seed is Warden® Cereals, but we do have a variety of fungicide and growth regulators we can use to meet your specific needs.

Also, make sure you're getting a good starter fertilizer with plenty of phosphorus. We do have the option to add Avail® fertilizer enhancer to help your developing crop make better use of the phosphorus you add. Avail increases phosphorus availability by reducing bonding with the soil, freeing more for plant uptake.

Fall cleanup

In my world, *Start Clean and Stay Clean* is a good philosophy when it comes to weed control. Fall is the best time to control

cheatgrass in your wheat with a burndown application. Powerflex® is one popular burndown option that is effective on cheatgrass.

This fall, we will also have three different Clearfield® wheat options available in addition to the common varieties. Planting Clearfield wheat allows you to use Beyond® herbicide—which also provides very good cheatgrass control—as an in-crop burndown treatment this fall.

Spring seed ordering is opening up, so start planning and get your order in early to make sure you get the seed you want. We have early-order discounts, and other savings are available on certain seed in addition to the early-order saving. Your sales agronomist will have all the details on discounts and schedules. Don't forget we have very competitive in-house financing available on seed and input purchases. ■



Rail Woes Causing Grain Backlog



» *By Jeremy Frost, Grain Marketing Manager*

With most of our trade area finished with winter wheat harvest and well into harvesting spring wheat, I can say that this has been one

of the most challenging harvests I can remember. We have seen very good yields while quality has been hit and miss, with the early spring wheat showing huge variances in yields.

As you know, harvest has been complicated by poor railroad performance. When you combine the inability to move grain by rail ahead of harvest with continued transportation issues as the new crop is received, you end up with the situation we found ourselves in—full elevators and grain on the ground. I want to explain how we handled the situation and our plans going forward, as well as some things to consider as we head into fall.

First, one thing we have done at some of our locations, and may do at other locations, is take deliveries by allocation based on the oldest contract dates and projected future railroad car

placements. This is one good reason to be proactive in making your grain marketing decisions. We also piled more wheat this year than we have in the past and at locations where we had never previously piled. We even filled a 56,000-bushel bag in Draper.

Basis takes a beating

One thing we need to watch closely is the basis for nearly all grains over the next several months, at least until the fall crop is put in the bin. If the railroads continue to struggle, don't look for basis to do much of anything except get weaker—especially if we have as big a crop as the USDA is presently projecting (more than 14 billion bushels of corn).

Many producers will decide to pile grain, build bins, or buy bagging systems. All of these make sense to me, but only if you are proactive and find a way to lock in the carry. We are all aware that just because you are able to find a way to avoid selling off the combine doesn't mean your pocketbook will be any fatter. The only way to know you are making a correct business decision is to find a

way to capture the carry, and right now expect those carries to be very wide.

The past few years we have seen too many producers decide to hold, only to end up selling their grain cheaper—and that on top of paying storage costs and interest charges.

If you need help running through the options, or ways to make storage pay for you, please give us a call. We would be more than happy to go over the numbers to see what type of marketing plan might make the most sense for you and your operation.

Whatever you do, just make sure to be very proactive for your "have to" situation. For example, if you know today you need to sell corn off the combine, realize the basis risk you have unless the current supply and demand and logistics situations change dramatically.

I hope you all had a great wheat harvest. I look forward to working with you through a challenging fall harvest. ■

Top It Off



» *By Ed King, Energy Department Manager*

It's a busy time as farmers have just finished wheat harvest and are now planting wheat and preparing for row-crop harvest. We had occasions during winter wheat harvest where it took several days for fuel tankers to arrive at our bulk plants. As we head into the rush of fall harvest,

that could be an issue again. Be proactive rather than reactive and fill your on-farm tanks before the pace really picks up.

If you feel you need more fuel capacity, we can help with our tank program. We can find the size of tank that fits your requirements, and we offer three-year, no-interest financing.

We are contracting LP through the winter months now. As you recall, at the tail end of last winter, LP prices approached \$6 in some spots. Lock in prices early and avoid that kind of unpleasant surprise. ■

Service Awards

Congratulations to all the loyal Midwest Cooperatives employees who have earned service awards within the past year. We appreciate your hard work, dedication and contributions to the success of our cooperative.

DOUG NOVAK
ED KING
HAL JEWETT

25 YEARS
20 YEARS
10 YEARS

LANA NOVAK
DARIS KAMPFE
CHAD WRIGHTSON

10 YEARS
5 YEARS
5 YEARS

JUSTIN PARKER
JATONA JAGER
DOUG SEVERSON

5 YEARS
5 YEARS
5 YEARS

Your production partners for the 2014 crop year.

If you'd like to keep up to date on current Midwest Cooperatives happenings in between our newsletters, our **e-communications are the answer.**

To receive text and email messages regarding markets, meetings and cooperative news, just sign up on our website.

midwestcooperatives.com



At These Prices, Every Pound Counts



» *By Justin Parker, Feed Department Manager*

Beef prices continue to amaze, and it's not too late to add profitable pounds on your calves with creep feed. If creep feeding isn't your style, we have other good ways to put solid gains on these high-priced calves. For example, you can mix our Payback Optimizer supplement with your corn, or put out lick tubs or protein and mineral supplements.

Speaking of tubs, watch for our SmartLic® promotion coming this fall. We're also going to be getting the word out on our cake booking for fall and winter, so watch our website for more information in October.

We're starting to think about weaning, and a good product to consider is our

Head Start weaning pellets. Better yet, if you haven't done so yet, let us take some forage samples and put together a complete weaning ration for you using your own feedstuffs along with the products you need to round out the feed. Get ahold of Kodee, Sam, Darrell, Kraig or me to get those samples taken and answer any questions you may have. ■

