

Central Farmers INFORMER

Grain, Grain, and More Grain

By STEVE DOMM, GENERAL MANAGER



With the weather swinging from -14° F to rain in a two-week period, grain has been our focus here at Central Farmers as we move into spring. Getting 2009 grain out of the piles and under roof or onto trains has been job number one.

With ever-increasing yields and the speed at which you can get your crops out of the field, grain capacity is an ongoing focus for us. That's why we so greatly appreciate the vision of our board of directors, who recently approved the \$4.5 million grain storage and handling expansion project at our Marion facility. Troy covers the project details in his article on page 2.

Our goal as a cooperative is to keep pace with you. We are well aware that combines sitting full in the field don't do anyone any good. We also appreciate the patience you have shown since harvest with the lines, waits, and closings. This project should alleviate some of those problems in the coming year.

With field work coming fast, please make sure you contact your agronomy consultant soon for all your fertilizer, chemical, and seed needs. This will help us better serve you when you're ready to roll.

Off to a good start

The Central Farmers annual meeting was held in Dimock in January. Your cooperative ended the year with a local profit, though it wasn't as big as we anticipated. Numerous factors, such as the energy meltdown and rapid depreciation of fertilizer prices, contributed to the less-than-stellar performance.

While profits were not where we would like them to be, we were still able to continue with our aggressive approach to patron equity retirement. That will remain a priority at Central Farmers.

On a positive note, I'm happy to report that at six months into our fiscal year, we are on pace to set records for both volume and profits. Your support is the foundation of our success, so thank you once again for doing business with us. We look forward to working with you in 2010 and beyond. ■

Getting grain picked up and onto trains has been a top priority since harvest.



April 2010

Spring Thaw Will Kick Off Major Grain Expansion

By TROY WOITZEL, OPERATIONS MANAGER



It's good to say goodbye to a long, cold, and tough winter. All the snow, and the rain we've seen already, could easily make for a late—and very compressed—spring planting season. Planning ahead, getting orders in early, and staying in close touch with your agronomy consultant will really help us work as efficiently as possible. We can better position our

people and equipment, and that keeps you moving without delay.

We're working to eliminate delays at the other end of the production process as well. As soon as the ground thaws, we'll begin construction of a one-million-bushel bin and a 7,000-bushel-per-hour dryer here in Marion. The Behlen bin will measure 131 feet in diameter, and will push our total upright storage capacity here in Marion up to 3.3 million bushels. Our total drying capacity will go from 5,000 to 12,000 bushels per hour.

If summer treats us better than winter has, the project is scheduled to be completed by bean harvest. Once we get the concrete

in, the weather won't have much of an effect on our progress. Keep an eye on our progress as you're passing through Marion. You'll definitely be able to see it!

Keep quality, safety in mind

Last fall was tailor-made to cause problems in the bin. Grain went in wetter than usual, and the fact that a lot of it had to be dried led to a lot of fines and foreign material. As the weather warms, keeping a close eye on your stored grain is a must. Don't let all your hard work go out of condition.

With bad grain comes bridging problems in the bin—probably the number one grain handling safety hazard. I know it's tempting to cut corners when time is tight. It's not worth your life. Don't assume you have a solid surface, don't go into a bin when grain is moving, and if you have to go in at all, don't go alone and use a safety line. Every year producers assume it can't happen to them—but every year it does.

Work hard as always this spring, but take time to stay safe. We like having you around. ■

Turning the Corner Toward Spring

By DEAN KOCH, ENERGY DIVISION MANAGER



Even though the snow is still piled up, the rain is whittling it down and it's time to think spring. Here's one sure sign: we're running our spring specials on oil and tires. There's a good chance you need one or both, so stop by or get in touch with Brad or Bob at the station to put your order in or get your questions answered.

Fuel prices still haven't reached the level where it seems best to fill or contract. Weather just about everywhere is still cool, so we're anticipating a bit of a downward move. Most people feel \$80 crude isn't sustainable yet long term, so there is hope that we will see another bounce down that will give you an opportunity to buy and fill up.

My concern is that even though system-wide inventory levels are high, there could be logistical issues in the pipeline if tanks stay empty going into spring and everyone decides to fill up at once. Take that into account as you decide when to

fill in order to be ready for the spring rush.

On the propane side, prices have mirrored crude values and remained strong. Inventory levels haven't fully recovered from the massive dryer season, and those levels will need to increase before we see some downside and find a price to set for our budget plan. I can say that those who signed up for the plan this year made a good decision. Our budget price of \$1.30 saved our patrons 50¢ per gallon compared to the \$1.80 market price. The new year for the budget plan begins in May, so give us a call to sign up.

Thank you for choosing us to supply your energy needs. I hope our weather turns more cooperative and we all enjoy a great spring. ■



Strength in Numbers

By JEFF JORGENSEN, FEED DIVISION MANAGER



Thank you to all of you who came to one of our producer appreciation lunches in February. Overall, they were well attended and we enjoyed good food together along with the opportunity to receive discounts on specific products.

We are all continually focused on production issues, such as maintaining a BCS of 5.5 or higher in our beef cattle to avoid unnecessary feed expenses. But perhaps the most important thing we can do as we go forward is work together to protect not only our families and livelihoods, but our food supply and economic viability.

As producers, we tend to be good at working hard and taking care of business at home. Our greatest achievements, however, may come from belonging to something bigger than ourselves and shifting our mindset to a long-term focus. It does not matter if it is a co-op, the South Dakota Cattlemen, the NCBA, or any one of a number of other good organizations. We must continually provide our individual input in group settings to combat misconceptions about antibiotic use, animal handling, the products we feed, or just the daily lack of regard for our food supply.

Infighting or outreach?

In my opinion, our greatest challenge continues to be the considerable amount of disconnect between producers and consumers. Until we producers can settle—or set aside—our own arguments about types of feed or breed differences, we don't have a chance of addressing the constant evolution of consumer behavior.

By the end of 2008, it was reported that for the first time in history more than 50% of our world's population lived in urban areas. Once we agree that this has occurred, we can move on and recognize that meat production will need to almost double by 2050 to meet the needs of a growing world population.

Fortunately, Central Farmers has a customer base of progressive producers who have survived the recent economic turmoil and are positioned to face whatever lies ahead. Thank you for challenging us to provide the service and quality you demand. Our contacts, business sense, and flexibility allow us to cater to specific needs, and our focus will continue to be the profitability and sustainability of your operation and our industry.

We are excited about working with you going forward and committed to staying involved with your livestock operations. ■

Pushing to Improve

By MATT ASHTON, GRAIN DIVISION MANAGER

It always pains us in the grain division when we can't receive your grain because we simply don't have a place to put it. I want to thank you all for your business, and especially for your patience as we've needed to be closed while waiting for trains.

As Steve and Troy mentioned in their articles, we're very excited about the continued support we've received from our board of directors as we work to be the premier delivery point for grain in South Dakota. We've made a long-term commitment to serve the producers of this region, and this grain capacity expansion project will better enable us to do just that.

Switching topics from our storage to yours, please check your bins frequently. We continue to see high-moisture, high-foreign-matter, and damaged corn come to town. Don't let quality issues pull money out of your pocket.

Marketing notes

We've started a grain marketing club for Central Farmers customers. We meet once a month in Marion to cover market factors and drivers and answer questions. If you're interested in attending, call Tyler or Patrice at the Marion office.

They're also the people to call if you want more information on our grain offer system. A number of our patrons have been

using it with good results. Here's how it works. If there is a certain target price you're looking for, just let your local grain originator know. Or, you can put an offer in online through our Web site. We find that these targets are often hit overnight and filled outside of normal business hours. When you set a target with us, we can take advantage of those opportunities that may otherwise be missed.



Finally, we are offering no storage charge on soybeans at all of our locations through June 30. Call your local FreMar location for more information on this program.

Market movers

The long-awaited March 31 USDA report, along with spring weather and potential for planting delays, will be the market movers to watch going forward. You'll also want to keep a close watch on the South American soybean harvest and the outside energy markets. I anticipate that these will be the prime indicators of market direction as we move through spring.

As always, if you have questions or concerns, please feel free to call. Thanks again for your business, and we look forward to working with you this growing season. ■



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Advance Planning Always Pays Off

By JEFF SCHMIESING, AGRONOMY DIVISION MANAGER

It's been a long winter and spring might be a little late. I expect that once the weather turns, everyone will need to get everything in the ground all at once and in a hurry. When that time comes, the more lead time you can give us on your plans, the better organized we'll be.

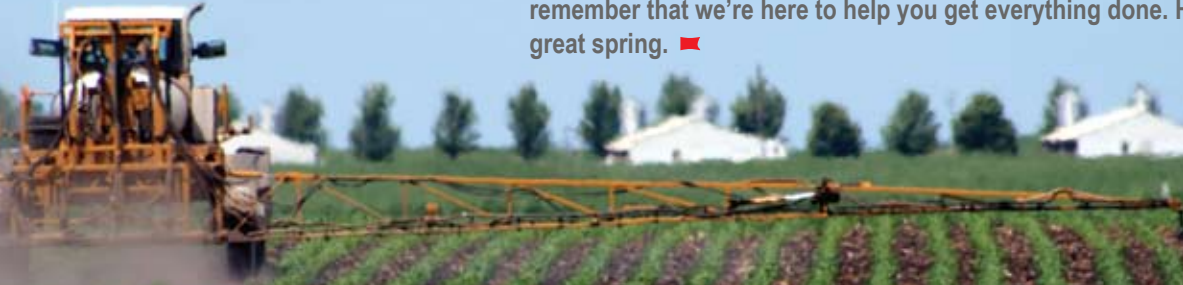
A 24-hour notice is the minimum that will allow us to efficiently schedule our equipment, and more would be appreciated. Also, we don't want to bury any of our applicators in your fields. Please check the fields in question before you call in your order to make certain they're in application-ready condition. Everything we can do together ahead of time will enable us to take care of all our customers and help you receive better service.

One thing we've done to prepare for a tight spring season is add equipment. We'll have a new variable rate airflow machine ready to go once the fields are dry enough for application.

An ounce of prevention

The wet pattern we've been in for the past year leads me to strongly recommend a pre-emergent chemical on your corn and beans. Persistent wet weather can make it tough to get into the field for scheduled glyphosate applications. Pre-emergent products keep weeds from getting away from you and give you a bigger application window. Talk to your agronomy consultant for a pre-emergent recommendation that fits your situation.

A wet pattern could delay glyphosate applications.



If our cloudy, cool, and wet conditions continue, this will be the kind of spring that seed treatments were made for. I strongly recommend treating your soybeans to encourage strong emergence under less-than-ideal conditions.



Not too late

If you've put off some seed decisions or your plans have changed, you still have options. We have quite a selection of quality corn and soybean seed available.

As for fertilizer, those of you who prepaid made a good decision, as prices look to remain strong heading into spring. If you want to do some spring soil testing, let us know as soon as possible so we can beat the rush. Testing is a good idea this spring. With all the moisture, I wouldn't be surprised if we found some areas low on nitrogen and sulfur.

Also, remember that our huge fall corn crop pulled a lot of nutrients out of your fields. Those nutrients need to be replaced to get the most out of the crop that follows, so take that into account and boost your fertilizer rates a bit on those fields that were in corn last season.

There's always the pressure to hurry, and this spring could be tighter than most. Please take the extra time to operate safely, and remember that we're here to help you get everything done. Have a great spring. ■