

# Central Farmers INFORMER

## Communication Is Key This Spring

BY MIKE HEALY, AGRONOMY DIVISION MANAGER



The equipment is ready, the personnel are in place, and we're all set to hit it hard this spring. We'll need to, because with the short, wet fall we've got a lot of ground to cover before the crops go in.

Most of the volatility has drained out of the fertilizer and crop protection markets for the time being. However, planting indecision among our producers has put some pressure on us as we work to ensure adequate inventories of the right fertilizer and crop protection products. And that brings us to the all-important topic of communication.

### We need to talk

Good communication between you and your cooperative is crucial this spring. With our heavy workload and tight spring timeframe, we need to know your intentions as soon as you do. In order to use our equipment and people most efficiently, we schedule all of our resources the night before. That means we need to receive your application orders at least 24 hours in advance.

We've rearranged our work assignments at the Marion location in order to free our agronomy consultants from any operational duties, allowing them to concentrate on customer service during this busy season. They will all be getting together with as many of you as possible to serve as a resource as you make your decisions.

Working closely with your agronomy consultant will result in the best possible use of time and resources—both yours and ours. To that end, if you haven't yet made arrangements for the delivery of any remaining seed, please talk with your consultant as soon as possible.

One final agronomy note: as we anticipate one of the busiest springs in recent memory, our tendering priority will be the larger application equipment. We will make every effort to keep the trailer spreaders filled, but our goal is to get as many acres covered as efficiently as possible.

While acknowledging this will be a hectic spring, I would like to encourage everyone to take the extra time necessary to stay safe. It's always time well spent. ■

*We've added equipment to meet springtime demand.*



April 2009

# Market Like Your Future Depends On It

By STEVE DOMM, GENERAL MANAGER



I think we've all heard enough about the struggling economy. Here's the good news about our industry. Everyone still has to eat. That means every acre will still be fertilized, farmed, and harvested this season. What it doesn't mean, however, is that everything will remain status quo in the business of agriculture.

The volatile commodity and input markets we've experienced for the past couple of years are here to stay. A new administration in Washington, global competition, and economic uncertainties will require us to adapt. The key word—and I know you think I beat it to death—is change.

## Salvation in savvy marketing

This volatile environment demands a higher level of marketing expertise. Most of us would agree that calculating breakevens and developing a marketing strategy isn't the most enjoyable part of farming. But with the talk that Washington plans to reduce direct-fix ag payments in 2010, the potential for a

shrinking safety net makes sound marketing even more crucial.

The definition of what constitutes as a solid marketing plan is also evolving. In the past, input expenses have been seen as a tax tool, not a marketing factor. That mindset needs to change, with input contracting becoming a vital part of the marketing equation.

For these reasons, Central Farmers is committed to developing the resources you need to compete in this rapidly changing business. Our investment in facilities and equipment is important, but we believe it's just as critical to have the right people in place with the knowledge and experience required to help you prosper in these challenging times.

How will agriculture change over the next decade? I certainly don't claim to know the answer. But I don't think we're ever going back to where we were. At FreMar LLC and Central Farmers Cooperative, we will continue to research programs that could be part of the new agriculture, take a careful look at our options, and reinvent what we do. That's our commitment to you. ■

## Management By Mouse

By MATT ASHTON, GRAIN DIVISION MANAGER



You may not know this, but we've got some pretty handy management tools on our Central Farmers Web site. For example, take a look at the iView link on the main page of our site. When you sign up for this service, you can access your Central Farmers grain account on line. You can pull up settlements and

look at your scale tickets for the day from your office computer.

The link will give you more information on this service, and you can sign up right there as well. While you're visiting, you might also be interested in our new online grain offer system. This feature enables you to place offers with Central Farmers online at any time. Just click on the Cash Bid link on the main page to sign up. Once you do that, there is an online tutorial to guide you through the process.

If you have any questions regarding these two exciting opportunities, call one of the grain originators in Marion.

## Delayed price program

We are currently offering free delayed price (DP) storage for corn at all of our locations until May 31, 2009. After that point, you'll be charged 5¢ per bushel per month storage through September 30, 2009. We are also offering free DP on beans at all facilities through June 30, 2009. After that date, we'll charge 6¢ per bushel per month through September 30, 2009. With both programs, if grain is not priced by September 30, bushels will be rolled to fall storage programs.

As we consider the markets, we are coming into the time of the year when, historically, we see the greatest volatility. There are still a lot of corn, beans, and wheat to be delivered throughout the Midwest, so we would encourage all of our growers to have old and new crop offers in place ahead of spring planting season. Let us watch the markets for you as you get busy in the field.

We appreciate your grain business and we never take it for granted. We're looking forward with you to a safe and prosperous planting season. ■

# Fighting High Feed Costs

By GARY HUBER, FEED DIVISION MANAGER



While feed costs may represent 50% to 70% of your beef cattle production expenses, cost isn't the only thing you need to consider during this time of volatile feed prices. By employing a "quick fix" in an effort to trim feed costs, you could negatively affect the performance and health of your herd.

You also need to carefully evaluate your production practices. Are they economically viable when grain prices are high? These practices could include creep feeding, extending the grazing season, changing calving and/or weaning time, and your cattle marketing options.

We take all of this into consideration when developing a program for our Central Farmers feed customers. Producers

who used our feeding program this past year made \$30 to \$50 more per head than those who didn't use our system. Talk to one of our feed consultants to find out what made the difference.

## Mineral offers

With new grass and the stress of calving right around the corner, good mineral supplementation is crucial. We handle Land O'Lakes® Purina® and Hubbard minerals in meal, granule, and low-moisture block forms, and are offering special promotional pricing on our mineral products.

The benefits of creep feeding on calf performance and the bottom line have been well documented over the years. Once again this year, we're offering 0% financing on our creep feeds. Stop by any of our five locations, call your feed consultant, or check our Web page for details on our mineral promotion and creep feed program. ■



# RFD Off to a Good Start

By DEAN KOCH, ENERGY DIVISION MANAGER



Our new petroleum delivery program, the RFD Fuel Delivery System, kicked off on March 1. This is a quality program that we believe is a great fit for our cooperative and our customers. For our patrons who elect to install a tank monitor, RFD works more like a "never-empty" than a "keep-full" program. Because tank levels are constantly monitored, you'll never run out of fuel.

For those who aren't placing monitors in their tanks, we'll have a few new questions for you when you call in to place an order. First and foremost, we'll need to know what your fuel level is. If we request more fuel than your tank can hold, we're charged a fee, so you'll need to monitor your tank levels closely.

The delivery timeframe with RFD is 24-36 hours. So if you call at 4 in the afternoon, for example, you may not receive fuel until the next day. We'll still have our bulk trucks around for a time to cover emergencies during the transition. And, of course, if you have the monitor you never need to worry. Give us a call if you're interested in installing a monitor or have questions about the RFD program.

## Enjoy the downside

Perhaps the only good thing to come from the economic downturn has been lower energy prices. Prices for refined fuels remain soft, but we still anticipate price increases when spring demand increases usage. This would be the time to top off your barrels.

Propane prices are also favorable. We'll be getting in touch with those of you on our budget program in April and May. This is a good program for both our customers and your cooperative. Even monthly payments mean your tanks stay full with no unpleasant mid-winter energy bills. We don't have to make delivery runs for small amounts of propane, enabling efficient use of time and resources. If you're interested in the budget plan, get in touch with us at the Salem location.

The spring oil sale is currently on. Prices have rolled back about \$1 a gallon from their highs a year ago—something you don't often see with oil. Our sale ends April 25, so act now.

We've been waiting a long time for spring and I think it's finally near, so remember to operate safely and have a good planting season. ■



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## Ready and Waiting

BY TROY WOITZEL, OPERATIONS MANAGER



We spent the winter getting everything ready for spring. All machines, including the new ones, were field-tested by mid-March. Our staff is in place, with seasonal help on board and our departments coordinated to help each other out. We're confident we're field-ready and prepared to hammer the acres out.

And this looks to be a spring where we will have to hit it hard. We'll need to take care of all the spring work plus everything left over from fall. That means some long hours, and that leads me to the topic of safety.

### The pause that pays

We all have a tendency to push on a little longer than we should in the spring and fall. It's also all-hands-on-deck, as many of you employ family members and acquaintances who may not work with all of the equipment on a regular basis. Take the extra time to make sure everyone knows what they're doing. And don't let fatigue cause an error in judgment that will cost you much more than those extra acres will ever bring in.

With temperatures warming and a lot of grain still in the bins, this is a critical time to check grain tops and pull samples. Our wet fall resulted in a lot of corn that was dried mechanically, and that corn generally doesn't store as well as field-dried grain. Check regularly to catch grain before it goes out of condition. And again, please take the proper precautions if you have to enter a bin.

When you're picking up totes, take a little extra time to double check all the tie downs. Saving a couple of minutes up front will be pretty expensive when you lose that tote down the road.

Safety doesn't cost—it pays. Please make the investment, because we want to see you around this fall. ■

