

SUMMER 2016

## Cooperatives Contribute to Health of Rural Communities

The tall silhouettes of the grain structures that dominate Nebraska small-town skylines are hard to miss when you're driving through the state. Oddly enough, the cooperatives that manage many of those facilities can be easily overlooked by the residents that live in the shadow of those silos every day.

The Nebraska Cooperative Council recently asked the Bureau of Business Research at the University of Nebraska-Lincoln to conduct a study to determine the economic impact of Nebraska agricultural cooperatives. The study covered a three-year period, from 2012-13 through 2014-15.

The results of the study showed that Nebraska cooperatives:

- Have a \$2.2 billion annual impact on the Nebraska economy through sales and investment;
- Create 13,944 jobs annually through cooperative operations, member payments and investments;
- Through labor income and member payments, Nebraska cooperatives have an average \$752.5 million annual impact on income in the Nebraska economy;
- Have a tax revenue impact of \$117.9 million annually.

In addition, the study also found that Nebraska cooperatives average \$8.8 billion in annual sales, directly employ 6,410 workers, invest about \$200 million annually in new facilities and equipment, and return roughly \$97 million annually to cooperative members in the form of patronage allocations, equity redemptions and equity redemptions to estates.



**Tod Clark**  
General  
Manager

### Getting specific

The numbers for Nebraska cooperatives as a whole are pretty impressive. Taking this to a more personal level, what impact does Country Partners Cooperative have on the people and communities we serve? The following are a few numbers for 2015:

- Total employees: 363
- Total payroll: \$17 million
- Investments in new equipment and facilities: \$20.8 million
- Property taxes paid: \$856,034
- Federal and state income taxes paid: \$294,307
- Patronage refunds: \$3.3 million
- Equity and estate redemptions: \$830,689

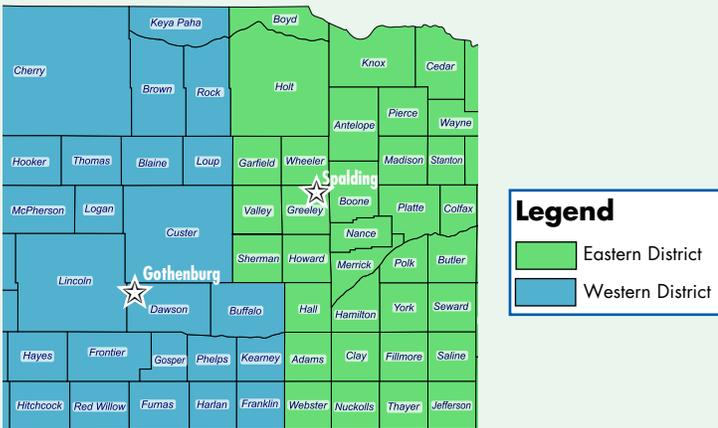
In total, we have facilities in 22 Nebraska communities. The jobs we provide help people remain in those communities, while the taxes we pay and the money returned to area residents in patronage and equity help keep those communities strong.

There are also benefits that are more difficult to measure. For example, in many smaller communities, the cooperative may be one of the only employers in town. Our employees volunteer on local fire departments, school boards and other organizations that keep rural communities viable and thriving. We are truly involved members of the communities in which we operate.

So the next time you walk or drive through the shadow of one of our elevators, take a moment to consider what the cooperative means to the town you call home. ■

# Director Nominations

The board of directors nominating committee is accepting nominations for director candidates. The board elections will be held in early 2017. There are two seats up for election this year in the West district, and one seat in the East district. Please contact Jim Eschliman, 308-750-0974, by July 31 if you are interested in learning more. ■



## Precision Management for Powerful Results

By Mark Ballmer, Vice President of Agronomy

With wheat harvest entering its final stages, it's time for the applicators to go in and spray stubble to take care of weeds and volunteer wheat. We're also available to take soil samples on ground going to winter wheat this fall. Count on us for all your wheat seed needs, too.



We've got some powerful tools to help make certain your fall-harvested crops are getting everything they need to reach their yield potential, and to help determine the best seed to plant on every acre next year. The WinField R7<sup>®</sup> Tool combines in-season aerial imagery with soil test, soil type, yield data and detailed hybrid information to put the right hybrid on the right acre, then create variable-rate fertilizer and seeding prescriptions.

Thus far, we've mapped more than 100,000 customer acres. Taking a precision approach to those acres and managing by production zone enables us to place inputs where they will do the most good and hybrids where they can best express their genetic potential. It's the best approach in this tight-margin environment, when input costs are crucial and yields need to be maximized.

### Early warning system

Now that we've moved into the growing season, in-season imagery plays a key role. We have two sources of aerial imaging—satellite imagery provided through the R7 program and infrared images generated by an aircraft that flies over area fields. These images enable us to spot potential problems in growing crops that would be difficult or impossible to see from the edge of the field—and sometimes, even by walking the rows.

When those areas of concern are identified, we can follow up with tissue sampling to determine if we have nutrient deficiencies. If those exist, we can address them with an application of the specific nutrients needed.

Still on the topic of in-season issues, keep an eye on your crops and growing conditions to determine if and when fungicide treatments are necessary for your corn and beans. Our late start in many areas has the crops a bit behind, but now is the time to be thinking about treatment.

Our plots are in, including the Answer Plots<sup>®</sup> at North Platte and Albion. If you want to take a look at any of them during the growing season in advance of the plot days, get in touch with any member of the agronomy team and we can make that happen. ■



# Better Prices Punish Basis

By Scott Hillius, Vice President of Grain



As the weather has warmed, we've seen more evidence of insect activity in grain brought to our locations. Some of that grain still contains a fair level of moisture from last fall, and as temperatures heat up, the grain can follow. Monitor your binned grain carefully for

both of these issues so you don't lose quality in the bin. Or, move some of that grain when the market provides opportunity and let our elevators take care of it. With grain supplies plentiful, buyers can afford to be picky, so don't risk rejection or penalties due to quality.

Looking at the markets, opposing forces are contributing to volatility. The La Niña bulls are concerned about stress on crops later this summer tightening up global balance sheets. At the same time, warm weather and abundant spring moisture in many areas are spurring rapid crop development and potential big yields.

Strong corn exports and an unexpectedly positive USDA report helped support a needed corn rally. The USDA report dropped old-crop carryout by 62 million bushels and increased exports by 100 million bushels. The report also pegged new-crop corn carryout at 2.008 billion bushels.

Soybeans also enjoyed upward movement. The USDA report estimated old-crop bean carryout at 370 million bushels, 16 million below the trade estimate. Crush numbers were increased 10 million bushels due to higher demand for meal and exports were boosted by 20 million bushels. New crop carryout also fell 30 million bushels below expectations at 260 million bushels. Globally, ending stocks are anticipated to fall 12 million metric tons, based to some extent on a projected 15 million metric ton increase in soybean meal use.

Soybeans may stay well supported until the market entices more South American acres into bean production this fall or demand is rationed.

## Basis takes a beating

While the market rally has been friendly for farmers, it has also pressured basis all the way up the chain. Poor profit margins have caused end users to step back and buy hand-to-mouth. Corn end users have covered most of their

needs for June and July. If we get a weather market, the basis could continue to deteriorate unless we see end users creating more demand.

Bean processors have rolled their bids from July to August and even November. The bean processors realize that elevators own the beans, and that most of us have our hedges versus the July. They know that the current inverse in the market—currently 20 cents from July to November—puts pressure on those of us who own the beans to move them.

As to farmer selling, 25% of old-crop corn is still out in the bins, while most old-crop beans have been sold. Farmers have been more aggressive selling new-crop grain than they have been in recent years. Experience is a great teacher, and it has shown the importance of locking in sales when a profit can be taken. We're seeing some pullback now as producers wait to see how far up the market will go.

This year's wheat harvest looks to be a good one, but quality—primarily protein—could be a concern. Unfortunately, that wheat production will be entering a U.S market that is facing much higher than expected yields and a world market that has plenty of wheat. ■



Old-crop corn is unloaded in Gothenburg.

## We Believe in the FFA

This year marks the fifth in a row that Country Partners Cooperative has made a donation to the FFA "I Believe in the Future of Ag" campaign. We're proud to support our local FFA chapters through this program, which helps boost chapter fundraising.



# Country Partners Cooperative – Summer College Intern Program

Country Partners has several college interns in our agronomy and feed divisions. This gives interns a real hands-on experience as they continue their education supporting the future of agriculture.



## COUNTRY PARTNERS COOPERATIVE PHONE LISTING

ALBION:.....402-395-2139  
Fax.....402-395-1721

SUPS FEED :..... 402-395-2243  
Toll-Free.....888-787-8811  
Fax.....402-395-8537

AMHERST:.....308-826-3285  
Fax.....308-826-2016

ARNOLD:.....308-848-3215  
Fax.....308-848-3218

BARTLETT:.....308-654-3555  
Fax.....308-654-3557

CALLAWAY:  
Agronomy.....308-836-2231  
Fax.....308-836-2748  
C-Store/Station (Bear Pad)  
.....308-836-2226  
Fax.....308-836-2227  
Toll-Free.....888-344-3745

CEDAR RAPIDS:.....308-358-0250  
Fax.....308-358-0263  
Petroleum.....888-368-0250  
C-Store.....308-358-0817

COZAD:  
Energy Facility.....308-784-3106  
Fax.....308-784-3267  
Agronomy.....308-784-4000  
Fax.....308-784-4796  
Agronomy (South) Fax..308-784-2508

EUSTIS:  
Agronomy.....308-486-3551  
Fax.....308-486-3841

FARNAM:  
Feed & Grain.....308-569-2531  
Fax.....308-569-2455  
Service Station.....308-569-2461  
Agronomy.....308-569-2423

GREELEY:.....308-428-5065  
Fax.....308-428-4135  
C-Store.....308-428-4665

GOTHENBURG:  
Main Office.....308-537-7141  
Toll-Free.....866-320-6464  
Fax.....308-537-2249  
Grain & Feed.....308-537-7144  
Fax.....308-537-3880  
Grain Marketing.....308-537-7812  
Agronomy.....308-537-7145  
Fax.....308-537-7646  
Fax - Mark Ballmer.....308-537-7153  
Ampride.....308-537-3405

KEARNEY SEED:  
Main Office.....308-237-2737

LEXINGTON:  
Agronomy.....308-324-2000  
.....308-324-4614  
Fax.....308-324-6578  
Seed Dept Fax.....308-324-3459

LEXINGTON: (continued)  
C-Store.....308-324-3468  
Fax.....308-324-3500  
Ampride.....308-324-8003  
Fax.....308-324-1730

LOOMIS:.....308-876-2342  
Fax.....308-876-2374

MIDWAY:.....308-396-1461  
Fax.....308-396-1462

NORTH LOUP:.....308-496-4280  
Fax.....308-496-3307

ORD:.....308-728-3254  
Fax.....308-728-5940

PRIMROSE:.....308-396-1650  
Fax.....308-396-1605

SPALDING:.....308-497-2266  
Fax.....308-497-2118  
Feed Warehouse.....308-497-2396

SUMNER:.....308-752-2845  
Fax.....308-752-3014

WESTERVILLE:  
Agronomy.....308-935-1217  
Toll-Free.....888-344-3739  
Fax.....308-935-1455

# Working Hard, Working Together

By Ron Rutten, Chief Operations Officer

In the first six months since our merger, our combined organization has survived a tough spring brought on by a short fall application season and Mother Nature blessing us with a lot of moisture during planting season. Both of our companies have long had a focus on service, and we hope we were able to achieve that at a high level for you during this trying spring. We thank you for your patience during those times we were unable to be in the field when we wanted to be. I also want to thank our great group of employees for their hard work and long hours this spring.



Now with crops in the ground and making good progress, our planning turns toward a harvest that will likely come with its own challenges. The markets have been interesting, and have made it difficult to move grain, especially on the eastern side of our territory. As a result, we're looking at the possibility of carrying more old-crop corn over than is normally the case. That, in turn, could create some storage concerns. But as we saw this spring, a lot can change in the markets before fall harvest.

In preparation for that harvest, we're doing what we can do to get ready, taking care of our regular maintenance and making any needed repairs to facilities and equipment.

## Always looking ahead

At the same time, we're looking at capital expenditures for the next fiscal year. As a part of that process, we're talking to our location managers regarding their needs and evaluating our application and support fleet. Our ongoing projects—the chemical warehouse and office addition in

The new Cedar Rapids storage tank is visible through the framework of the new chemical shed.

Lexington, and the liquid storage tank and chemical warehouse in Cedar Rapids—are progressing and should be ready for fall fill and spring 2017 operation.

As I mentioned in our last newsletter, the merger is all about gaining efficiencies. We're seeing those already, and we expect to experience greater synergies going forward as we fine-tune our procedures. We will continue to focus on bringing more resources to the farmer. Working together with our patrons, we will accomplish more than we can fighting the battle alone. ■



The new Lexington office addition and chem shed.



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## This Grease Comes With a Gift

By **Scott Haller, Vice President of Energy**

If you're farming, grease is one of the ingredients that keeps your operation running smoothly. Now Cenex® is making grease a little more exciting with their Grease for Gift Cards program. From now until Aug. 15, 2016, you can earn a \$10 VISA® gift card for every 4-10 pack or 35-lb. pail purchased, or a \$30 VISA gift card for every \$120 keg purchased.

Qualifying products include HD Moly Extreme, Poly-Xtreme, Mastron® EP, Blue Gard 500+, Molyplex 500+ and ML 365®. Ask us for details and redemption forms.

### Monitor the markets

With today's dynamic energy markets, we need to be ready to take advantage of dips in market pricing. That's why you need to be thinking strongly about winter propane

needs during the heat of summer. This is normally the season when propane prices fall to one of their lowest points of the year. Contracts are available, so talk to us about locking in your home heat and dryer needs soon.

We are also anticipating another pullback in diesel prices before fall harvest, which could present an opportunity to nail down favorable pricing for harvest diesel—and possibly even on some fuel for spring needs.



### A plan that's hard to beat

It's likely you've heard of the Cenex Total Protection Plan™, but you may not know why we consider it one of the best warranties you can find. The plan extends beyond manufacturers' warranties to provide valuable coverage to farmers who use premium Cenex fuels, like Ruby Fieldmaster® Premium Diesel, and Cenex lubricants. It covers new equipment for up to 10 years or 10,000 hours and used equipment for up to eight years or 8,000 hours, with no deductible and no burden of proof.

You need engine oil and diesel fuel for your equipment, so you might as well use the best and take advantage of this warranty if your equipment qualifies. Talk to us about all the plan details, or take a look at the specifics for yourself online at [cenex.com](http://cenex.com). ■



Filling tanks for irrigation kept our team busy this spring.