

Easing Into a New Role

This newsletter article is a small milestone—my first as general manager of Country Partners Cooperative. My transition has been wonderfully smooth, thanks to the help of our board of directors, patrons, employees, and Tom Connelly. Tom stayed on a part-time basis until July 5, and I can't thank him enough for his years of service and the help he has given me in moving into my new role.

Some of us have transitioned physically, too, with the completion of the Spalding office remodel. Josh, Ray, Michelle, and I moved up April 1 and are all settled in now.

One project that was underway prior to the transition was the business case assessment conducted by Land O'Lakes Business Development Services. The assessment analyzes our trade territory, grain and agronomy businesses, and our facilities in order to help the board and management plot the future direction of your cooperative. The input will help guide us as we budget for new construction, equipment, and facility updates. We'll keep you posted on the results.

Tough year takes a toll

Our fiscal year will conclude Sept. 30. The drought of 2012 resulted in a year that wasn't as strong as the previous two, as we were down 2.5 million bushels of corn compared to 2011.

Our agronomy division did turn in a strong performance, and this year looks much more promising on the grain side—with the exception of those areas that received devastating hail.

In anticipation of our annual meeting in January, we will have two Board of Director positions up for election, one from the west and one from the central district. If you're interested in either of these positions, please contact me.

I want to emphasize two points in closing. First, please note that the board of directors has approved a change in our credit policy. Basically, we've moved the statement due date to receive discounts from the 15th of the month to the 20th to accommodate changing mail delivery schedules. Our credit policy can be found on our website in the About Us section under Credit.

Second, Country Partners is once again a proud sponsor of the FFA I Believe in the Future of Ag program. If you're interested in donating to support the program, we have donation cards at every location. You can also donate online at www.neffafoundation.org. ■



RON RUTTEN
General
Manager

Bigger Crops, Softer Markets

It's amazing how different crop growing conditions can be year to year. Last year at this time, we were burning up in the middle of a drought and couldn't buy a rain. Now, this year, we are getting plenty of rain (some may argue too much) and cooler weather. This, in turn, has resulted in our fields looking much better as we make our way towards harvest time—for the most part. Some of the recent rains have arrived via thunderstorms that carried very damaging hail. While rains and storms were spotty at times, we have seen both bean and corn fields hailed out around Ord, North Loup, Spalding, and everywhere in between.

Along with the huge change in weather from last year, we're also dealing with a wildly different market than that in 2012. This year, when you combine good weather with much of the crop in good/excellent condition, you get a recipe for futures markets to take a huge hit compared to last year.

This year, we have seen a near-record number of acres planted to corn and beans. Even with a huge number of acres converted from CRP to crops, many are wondering where all these reported acres are coming from. Naturally, these expanded acres are having an impact on estimated domestic carryout, further driving the grain markets down. On top of all this, we've seen a smattering of USDA reports, almost all of which have been bearish. Old-crop stocks are consistently reported as being much higher than what many think they should be, especially considering the poor harvest from last year, leading more than one to believe that the reports are being used as a way to keep the market from heading too high.

Looking toward harvest

As for the new-crop prospects, the expanded acres and good weather mean huge stock numbers, which predictably lead to lower prices. These prices are not favorable, as many of you have told me that your break-even numbers are much higher than current bids. While the rains were appreciated, there have

been rumblings that they made conditions too wet, planting was delayed enough, and an early frost may cut into total yields. That could be a potential reprieve from the constant hammering the markets have received. Only time will tell.

There's one final piece of information to note. Around July 24, we suddenly saw the soybean market take a big hit. Basis took a dive along with the futures. One of the biggest culprits was our largest export destination, China. They released some of their bean reserves, cutting into what they would need to import. This led to panic in the East, with suppliers looking to get out of their long positions, and caused a ripple effect that we saw here in the Midwest. While the basis has since come back, though not as far as it fell, the bean markets are still struggling to make up the lost ground.

Shortly thereafter, we saw a similar drop in the corn market. There is some speculation as to the reason for this. Some are saying that this was a knee jerk reaction based on fear that what happened with the bean market could happen to corn. Others say that the larger terminals, the ADMs and Cargills, did it to get prices down because they could. Whatever you believe, it was not fun to deal with, as any farmer can tell you.

Hopefully, harvest will go well in our area, though it looks like it will be later and wetter than the last couple of years. As always, we have our direct ship program that allows you to take advantage of end-user prices while still being able to do business with your local cooperative. Also, this year we have started offering the GrainBridge risk management program, which allows you to track inputs for your fields, track delivery contracts, and monitor the overall profitability of your farm. ■



JEFF CRAVEN
Grain Originator

Energy Veteran Joins Country Partners

Lon Zeller brings 25 years of experience in the energy business to the newly created position of Country Partners petroleum operations manager. Working most recently with Ag Valley Cooperative in Arapahoe, NE, Lon started his career with a propane company in 1988, and moved over to the cooperative side for good in 1993.

"I joined Country Partners July 8, and my role here is to get out in the country and call on customers and potential customers as well as help Scott (Haller) on the operations side," Lon states. "My background is in energy sales and

management, which I think will be a good fit here."

Lon also has considerable experience with convenience stores and cardrol systems, which will be helpful as cardrol systems are added in Spalding and Cedar Rapids.

A native of Ravenna, NE, Lon has two children: a daughter, 24, and a son, 21. "My wife died suddenly a little more than two years ago," Lon says. "This move is a good change for me and a chance to start over. I've already found a place in Cedar Rapids, and I'm looking forward to meeting our customers." ■



Greener Pastures Still Under Pressure



KEVIN WAGNER
Feed Department
Manager

After the drought of 2012, one of the worst we've seen since possibly the 1930s, 2013 has seen considerably more moisture, and that has led to a significant improvement in pasture and crop conditions. We've seen a lot of weed pressure in pastures with lighter soils that were overgrazed. Continue to address those weed problems, and you may also want to consider creep feeding calves this year. It will take the pressure off those pastures and your cows.

Those who creep fed calves in 2012 thought it was well worth the cost. You will have bigger, healthier calves that also grade better when they are finished and fat in the feedlot scenario. Calves also wean easier when they have been started on creep feed in the pasture because they know how to eat feed.

This is another year when the financial benefits of creep feeding should be easy to see, because calf prices should remain very strong. We always have new creep feeders for sale, and we'll do our best to have a creep feeder for you to rent as well.

Hay alternatives

With some dryland corn fields not delivering high yields this year, and cow/calf producers understanding how valuable a big silage pile can be, I would expect there to be a lot of corn and forage sorghum silage put up this year. Supplies of alfalfa, prairie hay, and other hay forages are still somewhat tight, so hay prices continue to be high. Silage can reduce your reliance on alfalfa and other hay forages.

This winter and coming spring, we may want to consider feeding some corn and/or distillers grain in total mixed rations for cows, as the price may warrant it. Baled corn stalks can also be good feed when hay forages are limited, as we found out last year.

When putting up corn or sorghum silage, we should work hard to make it the best-quality feed we can. Using an inoculant, liquid or dry, will deliver a very substantial return on your investment. We handle Cargill Promote liquid inoculants that are applied at the silage cutter. Research

has shown significant benefits when inoculants are used with hail-damaged and drought-stressed corn silage and forages. Research has shown a return on investment, in terms of dry matter recovery and improved feed quality, ranging from 5 to 1 up to 15 to 1 for every dollar spent on inoculants.

Another excellent way to preserve forage quality is to cover your silage pile with 5 mil plastic, an investment with an 8 to 1 return. So, strongly consider the use of inoculants and plastic this fall for your corn silage and forage sorghum pile.

High moisture options

Heat units were in short supply midsummer, and that might well delay corn drydown. It may be advantageous to put up some high-moisture corn or earlage to prevent ear and bushel loss in the field due to delayed harvesting. Both make excellent feed for calves and cows.

We carry starter feed and balancers to build a balanced ration with whatever feeds you have on the farm and get those calves off to a good, healthy start. We can run breakevens and balance rations to meet the specific needs of your operation. With corn prices heading down, this may be a good year to look at walking your corn to market through livestock rather than hauling it to town.

When cows do get out into the corn stalks, be looking at the protein supplementation that works best and is the most economical for you. We will have a mineral this fall with protein built in to help cattle better utilize corn stalks and the corn on the ground. It will be a balanced product with trace minerals and vitamins.

Also, when you feed ground corn stalks this winter and next spring, you may want to look at pouring your low-quality bales with a liquid feed to increase protein and the utilization of those poorer quality roughages. If you get them lined up, we can easily pour the bales for you. Talk to us about this option.

Thank you for your feed business. We will continue to earn it by providing quality products and excellent service. Have a safe, and good, fall and winter. ■



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Regulations Result in Fuel Reformulation



SCOTT HALLER
Petroleum
Department
Manager

It's not your father's unleaded anymore. With the exception of one premium option, all 87- and 89-octane fuel will now contain ethanol. This wasn't a decision made by refiners, but rather a change necessitated by two factors: the government's renewable fuels mandate and the 10% ethanol "blend wall."

In order to use enough ethanol to meet the government mandate, the basic fuel coming through the refinery pipelines is now an 84-octane product. That base fuel has to be blended with ethanol to achieve an 87- or 89-octane level. A 91-octane premium without ethanol will still be available in some areas, as well as a 93-octane ethanol blend.

Get ready to dry

With the late crop, there's a strong possibility of a heavy dryer season. We're gearing up for that, converting nine of our larger 1,500-gallon anhydrous tanks to portable propane tanks. All told, we'll have roughly 14,000 gallons of portable storage available for your use this fall.

With increased demand looking likely, don't wait to line up your propane needs for fall drying and home heating. We're also looking to expand our propane trade area and are willing to run keep-full routes in the western portion of our territory. If you rent or lease your tank from another supplier, we will help you locate another storage option. Contact us if you're interested in signing up for one of our new routes.

Looking at the broader energy market, there are also some good prices you should be aware of for your 2014 production season. Talk to us about contracting at least some of your fuel needs.

Project update

Though we're not as far along as we hoped we would be, we are making progress on the installation of the new bulk tanks and cardrol system in Spalding. However, the Cedar's Rapid Stop remodel is complete, and the response has been very positive. We added a new kitchen/prep area, new bathrooms, a walk-in freezer and beer cave, and new food items. We'll also be converting the fuel dispensers to a pay-at-the-pump system in the near future. ■



CORN POLICY

MOISTURE

To Sell: 15%
To Store: 14%

TEST WEIGHT

54 lbs. or above—no discount
53.9 lbs. and under—\$.02 per lb.

1st SHRINK

Over 15%—1.5% per point of moisture.

BROKEN KERNAL FOREIGN MATTER

3% or less—no discount
3.1% or more—\$.02 per 1%

2nd SHRINK

15% to 14%—1.5% per point of moisture
(After 15 days)

DAMAGE - Subject to Refusal

\$.02 per bushel 1% 5.1% to 15%
\$.03 per bushel 1% 15.1% or more

MUSTY, SOUR, OR INFESTED

\$.10 per bushel discount per item

DRYING CHARGE (15% to sell, 14% to store)

15.1% to 18%—4.25 cents per point
18.1% to 22%—4.75 cents per point
22.1% and above—5.25 cents per point

AFLATOXIN

Country Partners reserves the right to test loads for aflatoxin and to discount, or reject, any load over 20 ppb (parts per billion).

STORAGE

Storage rates per bushel \$.0013/day
\$.0395/month
\$.4745/year

Customers have 30 days to decide if they want to sell or store their corn. They can store 100% of their deliveries. Storage starts on the delivery date.



SOYBEAN POLICY

MOISTURE

To Sell: 13%
To Store: 13%

TEST WEIGHT

\$.01 per lbs. under 54lbs.

MOISTURE SHRINK

1.75% per ½% point of moisture above 13%
(Shrink is in bushels)

OTHER COLORS

\$.01 per bushel each 1% over 1%

FOREIGN MATTER

1.0% or less—no discount
1.1% or more will be deducted from weight

MUSTY/SOUR/INFESTED

\$.10 per bushel discount per item

STORAGE

Storage rates per bushel \$.0016/day
\$.0487/month
\$.5840/year

Customers have 30 days to decide if they want to sell or store their soybeans. They can store 100% of their deliveries. Storage starts on the delivery date.



New Year, New Seed Choices



PHIL KOWALSKI
Seed Coordinator

Once upon a time, you could stay with a tried and true hybrid for season after season and be pretty sure it would perform within a few bushels of the latest releases. Not so anymore. Seed technology is advancing so rapidly, and yields climbing so dramatically, that you have to incorporate some of the new numbers in your plans every year. That's why you need to visit our plots, and particularly the Answer Plot® near Albion.

Here's a brief rundown on what's new for 2014. Croplan will offer all their SmartStax RIB Complete hybrids with 500 Poncho/Votivo and zinc already on board. That's a pretty unbeatable combination of insect and disease protection with the zinc needed for the proper development of the seedling corn plant.

Also new to the Croplan corn lineup this year are two (111-112 RM) Genuity® DroughtGard™ hybrids well suited for the western Corn Belt.

New weapon against rootworms

Though supplies will be somewhat limited for 2014, Syngenta will roll out hybrids with their new Agrisure Duracade™ corn rootworm trait. The Duracade lineup adds a new mode of action to their existing event to help control rootworms and fight resistance.

Overall, Croplan, Mycogen, and NK have strong new hybrids and varieties that have posted yield advantages over their current corn and beans in trials. You don't have to betray your old friends to consider adding some new numbers for 2014.

Seed treatment update

Last year, our preferred seed treatment was Cruiser Maxx™ Advanced with the option of adding Vibrance. In 2014, we will be applying Warden® CX, which is basically a premixed combination of Cruiser Maxx and Vibrance™, at our treatment facilities in Albion and Ord.

What Vibrance brings to the table is a new mode of action against a wide range of diseases carried in soil and air. It provides long-lasting protection of the entire plant root system through critical development stages of the crop and under a wide range of environmental conditions. The resulting optimized root performance lays the foundation for strong yields.

If you have questions about upgrading your seed lineup for 2014, talk to me or any of our agronomists. We're happy to help. ■

Act Now to Capture Low Prices

We've set our prepay fertilizer prices for spring and fall purchases. Fertilizer prices are at the lowest levels we've seen in the past six years, so it makes sense to lock in a good portion of your needs as soon as possible.

Overall, the fertilizer market is flat and may be showing signs of stabilizing. It's been taking its cues from the grain markets and will likely continue to do so.

If you have questions about how to best address your fertilizer needs while managing risk, talk to us. ■



RAY PINNEY
Crop Nutrient Manager

Visit Country Partner's New Online Home

If you haven't visited our website recently, I'd encourage you to do so. The address is the same, but the look is completely new. The site is designed to be clean and easy to navigate, and it looks great and retains full functionality whether you are viewing it on a laptop, tablet, or smartphone.

One feature I particularly appreciate is our interactive location map that lets you pull up contact information and pictures of key staff. And you

can still take advantage of online account access, which allows you to keep track of your bushels during harvest, and online fuel ordering.

One additional note regarding our new site, if you are using Internet Explorer 8, or an earlier version, as your browser, you won't be able to fully appreciate the functionality of our website. Consider upgrading to a newer version or switching to Mozilla or Google Chrome. If you have any questions, please give me a call at 308-497-2266. ■



MICHELLE WELTRUSKI
Information Technology

INSIDE:

Regulations Result in
Fuel Reformulation

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Schedule Soil Sampling ASAP

We're anticipating an extended harvest with the potential for large corn and bean crops. High yields pull a lot of nutrients out of the fields, and many of those fields are reaching the point where they should be grid sampled again. If that time has come for some of your fields, let us know as soon as possible so we can get in and sample once the crop comes out. We may not have much fall, so we'll need to move fast.

Product scorecard

Every year we evaluate the products we apply during the production year. Two bacterial products stood out this year. One was Accomplish®, a liquid that can be applied with or without fertilizer to break down crop residue on the soil surface. The second product, Titan, is applied as a dry fertilizer coating. It

does its work in the soil to break down residue and release the nutrients.

The results we've seen have convinced us to recommend them going forward. In fact, Accomplish would work well this fall as part of your burndown herbicide application and help get those fields ready for spring.

Everything we've heard leads us to believe that chemical prices will rise 3-8% next year. That makes this a good time to consider pre-paying to lock in prices on glyphosate and other herbicides. Why wait to pay more for products you know you'll need next year? ■



FRANK JASA
Albion Crop
Protection



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GREELEY

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MIDWAY ELEVATOR

308-396-1461

NORTH LOUP

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