

Farmers Co-operative of Hanska
February 2021
Proud to be Farmer-Owned

1929 - 2021
92 years



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Growth Continues at FCH

Welcome to the winter addition of our e-newsletter. We see this as a good opportunity to report to our members what is going on at their coop. It can be challenging to keep up with email address changes so if you visit with someone who thinks they should have received this and did not, it is likely we either didn't have an

email address or the one we had is no longer working. We encourage

all who would like receive our communications to let us know and we will get their contact information added or updated. Financially, your coop is having its best year in the last six years. Strong volumes in grain, energy and agronomy experienced so far have added incremental margins our bottom line. Feed volume is down still being affected by the disruption in pig flows that started last spring. The added grain volumes have enabled us to move some feed employees and trucks to help in vacuuming and trucking the additional volume thus

lowering expenses in the feed division to maintain a bottom line that mirrors last year. We have moved three semi-tractors from the feed division (that were intended to be sold after adding four new ones) to grain to create more capacity for picking up piles, delivery to end markets and on-farm pickup. Agronomy sales of seed, fertilizers and CPP look strong. FCH has invested in a new twin bin Terragator and the team is preparing the equipment for the spring rush. Lots of interest in NH3 and UAN application this year due to the big run up in urea prices this winter. Energy is adding a bulk DEF tank to be located in the service center building in Hanska. On behalf of the board, management and employees of the Farmers Coop of Hanska we'd like to express our sincere appreciation for the trust and business we've received by both long-time members as well as new customers we've met this fiscal year. We will do our best to provide you with quality products and responsive service now and into the future.



Bulk DEF storage added to Hanska location

We will be adding a bulk DEF storage tank that will enable us to buy in bulk and fill totes for our members. The components are ordered and space is being prepared at our Service Center Building in Hanska. Please keep us in mind as you make your DEF purchasing plans. Just drive past any gas station and you'll see fuel prices increasing at a steady pace.

There are several reasons for this including the expectation that the growth of economic activity as we come out of the pandemic will drive up energy prices. I've been encouraging our customers to consider filling up for spring and contracting for fall.

Be sure you keep a close eye on your propane tanks. The recent cold weather has trigger several "out of gas" calls. Our scheduled fill program is not a "keep full" program. You are still responsible for checking your tanks.

We try to stay in touch with you, we encourage you to call us or text us for energy related questions.

You can reach me at (507) 276-1007 or call the office at (507)-439-6015. Thank-you for your business



Abundant Activity at Burdick Location – Lee Beer, Grain Division Manager

The big project in New Ulm installing a new sweep in the Big Silo is now done. This new sweep is capable of moving up to 8,000 bushels per hour as it travels around the bin cleaning out the bottom. Having a sweep with that much capacity will aid the coop when we are loading rail cars. We will now have the capacity to clean out the bin as we load cars giving us a lot of flexibility. Having a fast way to clean the silo also us to be very flexible especially when we are changing commodity's in the silo. We would like to thank everyone for their patience as we were installing the sweep. Also thank you to the two contractors Summit Grain and Valley View Electric these two companies did the

installation work.

We have now loaded eight unit trains this fiscal year in New Ulm, we should be loading another eight or nine more before the end of July. It has been a big year here at the Coop moving grain. Most of the trains we have been loading have been going to the west coast ports to be exported overseas. With China, Japan and South Korea being the biggest customers for both corn and beans. We are also in the process of picking up the rest of our uncovered corn pile in New Ulm as we have three trains to load in the next three weeks.

So far in 2021 we are seeing a lot of volatility in the grain trade. We have seen days when corn has traded limit up only to trade back down a few days later. Soybeans have been following that same path, lots of volatility. Some of this trading can be due to the January and the February USDA report which gave us a reduction in harvested acres and a reduction in yield in January only to cut back demand in February. This caused the carry out to decrease for both corn and soybeans in January only to increase some in February. The other contributing factor in the market runup has been the managed money and their flow into commodities. When you have the managed money injecting the amount of dollars into the market as they are volatility will become the norm. The cash price for new crop 2021 corn has been above \$4.00 and beans around \$11.00 for new crop 2021 delivery. Both harvest prices we haven't seen for a few years. With the present environment pricing some new crop 2021 corn and beans makes sense. Make sure if you have last years corn and beans on the farm, you're checking the bins for any possible quality issues. Don't forget about selling some of last years crop prices are at levels we haven't seen for many years. If you have any questions on pricing give us a call here in Hanska.



Spring Planning is in Full Swing!

The recent uptick in corn and soybean prices are thought to be one of the reasons we are seeing a sharp increase in fertilizer prices. Since the first of January we were seeing daily increases of \$5.00 - \$10.00 per ton per day. Recently, cargo ships of urea that were pointed towards the US gulf were diverted to more profitable markets in South America reducing supply here and supporting prices. This does have a negative effect on our customer's cash

flow. We encourage you to stop in to discuss your spring and fall fertilization plans. Ben and I have been working with growers to finalize their seed and chemical plans as well so we are ready to go when the fields are fit. We can also assist you in creating break evens based on various crop yields and input costs that can aide in decisions in both input purchasing and grain marketing. I am extremely excited to have had the opportunity to meet many of the FCH customers and welcome new growers to our family. Please feel free to give me or Ben a call to discuss how we can be of service to you. My direct line is 507-439-6013 and Ben's is 507-439-6012. As always, Thank you for your support and business! **Kevin Jeurissen – Agronomy Division Manager**



Managing Feed Prices

Higher feed prices call for more diligent feed formulation and feed management. Look to your nutritionist to make sure you are using the right combination of available ingredients for your livestock operation. Best cost approach can take the edge off of high feed costs. Management strategies to improve feed conversion and reduce waste can offer real savings in feed costs. We can help growers evaluate those strategies, products and investments.

Contract feeding opportunities. In addition to contract feeding for hogs, we have opportunities for individuals to align with custom calf raisers. Area producers have interest in custom raising calves from birth to 350# and are looking for reputable stockmen to partner with.

Pig sourcing: Area hog producers are looking for large groups (1000 head plus) feeder pigs for local finishing. Let us help you find the animals to fill you barns! We also can help find barns to finish pigs that may

have available. Thinking of finishing your own pigs, we can help create breakeven reports using current input costs for you to analyze profitability opportunities.

Thanks to all customers for placing orders by noon the day before it is needed. The lead time is needed for planning ingredient needs, sequencing orders and having personnel in the right place at the right time. The answering machine is helpful, but the orders do not go out to the feed mills until the next morning. We also appreciate customers who have the snow moved before our trucks arrive as warm tires can create a slick divot in ice and snow and can inhibit the truck from moving if it is deep enough.

We can warm you up at the C-Store! Jeanne Willis – C-store

Manager



After this last cold snap, which is not quite over as I write this, we at the C-store are so ready for spring...BUT we have at least another six weeks or so to go so take advantage of everything we have to offer at the store. Our Diesel fuel is still blended to -40 so you are not left out in the cold. 20# propane cylinders are abundant or filled at your request for that ice fishing adventure or that get together in the garage. Our ovens are always on and ready for that pizza and wings meal during the big game. And, don't forget your Diamond Rewards can be used to earn points or better yet...you can redeem for that pizza party or LP cylinder you've been saving for. We at the Hanska C-store can make what is left of your winter, a much more enjoyable experience! See you in the spring!

We are currently looking for seasonal drivers to help in agronomy, feed and grain. If you are interested in these positions please call Jerry Svoboda at 507-439-6244

