

# Farmers Co-op of Hanska

*Proud to be Farmer-Owned*

**Spring 2018**

1929-2018

89 Years



## **FCH Board Members:**

Brad Portner  
-President

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-Vice President

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-Director

Richard Wurtzberger  
-Director

Tim Miller  
-Director

Matt Suess  
-Director



Jerry Svoboda

I like to write articles for the spring issue of your newsletter as it marks the end of a long

winter and sparks feelings of optimism as spring planting is just around the corner. We have a lot to be optimistic about. Your co-op we are experiencing the best financial performance of the past three years. As I look at our February financial statements I see we are right on budget for local net margins. Total gross margins and services are \$850,000 better than last year while expenses are

also up \$338,000. But, the important thing is our local bottom line is showing a \$500,000 improvement. The increased margins are largely due to improved grain margins as carries in the market are covering our storage investment costs for the first time in several years. We had a large drying season last fall that benefits both grain service income and propane sales volumes. Feed and Energy volumes continue to be strong and we are finally showing better chemical margins in agronomy. Expense increases were mostly a combination of increases in dryer fuel, repair and maintenance, and bank charges (including interest). We budgeted a modest profit for this year and so far we are on track. We will need a good spring sales season in agronomy and energy to continue the momentum. We have had a good seed sales season so far and have excellent hybrids to offer you yet. Feed division continues to maintain good volume levels and we are excited to have some corn trains sold this spring/summer. Your support this spring will be vital to helping us meet our budget.

As a member, you should have received a letter announcing the feasibility study being conducted with Farmward Cooperative of Morgan, exploring the benefits of unification. The number one responsibility of your board of directors is to protect the members' equity in the co-op. Although your co-op has been cash flowing and retiring debt, it has been difficult to invest in new assets and retire equity to members over the past few years. While it was felt that your co-op is moving the right direction, it is also prudent to explore how your co-op can be of greater service, generate more returns and be a greater asset to its members by unifying with a strong neighbor. The feasibility study will be facilitated by Land O'Lakes Business Services and Strategic Asset Management group (SAM). We are currently working with the SAM group on a grain study to answer the question, "Are we better together or separate and by how much?" Once that study is complete, an overall financial study will be conducted by identifying synergies, opportunities, and benefits both companies can capture in all business units if combined. When those questions are answered, the directors from each co-op will decide if they want to proceed to a vote of the members and informational meetings and materials will be presented. In the end, it is you, the member, who will decide. The process is going to take some time, so there will be gaps where you won't hear much. But, we will try to keep you informed, as best we can, as steps in the process are completed. I have been asking our employees and members to please be patient and not fall prey to rumors and predictions from those who aren't part of the study team.

On behalf of the board, management and employees we want to thank you for your support and helping your coop continue to progress forward.

**Jerry Svoboda** - *General Manager*

## ENERGY



B20 coming on May 1, 2018.

Effective May 1st, 2018 the minimum bio diesel content level is increasing to 20% as determined by Minnesota Statute 239.77 Biodiesel content mandate guide overview of Minnesota B20 is included below.

Brian Stueber

From April 1 – April 30, 2018 #2 diesel fuel must contain at least 10% biodiesel. The amount of biodiesel required in a blend of #1/#2 will depend upon the blend ratio of two products.

Starting May 1, 2018 all #2 fuel sold for combustion engines during the month of May – September must contain a minimum of 20% biodiesel.

From October to March, #2 diesel fuel must contain at least 5% biodiesel.

Starting April 1, 2019 and thereafter all #2 diesel fuel sold for combustion engines during the months of April thru September must contain 20% biodiesel by volume.

#1 diesel fuel is exempt from blending biodiesel.

So I will mention this, as good housekeeping on your fuel tanks will be essential! Biodiesel is like a magnet for water retention. It lies in the bottom and promotes microbial growth which in turn plugs filters. No water = No problems.

### Bulk Oil:

Products available in bulk:

Superlube TMS 15W-40  
Qwiklift HTB Hydraulic Oil  
Auto Gold 10W-30  
Matron Enviro-Edge 5W-40  
Antifreeze Bulk

FHC makes deliveries Wednesdays, so get on the list of bulk oil needs.

### Propane:

Propane prices during the heating season of 2017/2018 were the highest since 2014. The large demand from crop drying and cold winter caused prices to rise. Summer-fill will start June 4th and this is also a good time to start contracting for 2018/2019 heating season. If you have one of our tanks or own your own tank it will be summer-filled unless the energy Dept. is notified not to. All accounts must be at zero balance to receive Summer-fill. Jen will be sending out the yearly Duty to Warn information. Please read, sign and return as soon as you are able.

**Brian Stueber** – *Energy Manager*  
507-276-1007

Dallas Larson - *Delivery and Installation*  
507-240-2300

Jen Brandel - *Energy Assistant*  
(507) 439-6015

## FEED



The latest VFD rules have been in the books for 15 months. Keep your farm compliant by asking “does the length of the feeding period match the VFD?” Check the designated feeding sites, number of pigs fed and start and stop times.

Feed formulation and pricing continues to look for direction. Corn and soybean meal are off of their highs, but still well above the average before the last two months. Distillers grains price remain strong on support from corn and soybean meal. While DDGS still work into many diets, use rate is tempered by price and mycotoxin concerns. Amino acid pricing is mostly steady to lower. Judicious use of the four major feed grade synthetic amino acids is a must to help manage swine ration costs. Vitamin A and vitamin E prices have pushed vitamin and trace mineral pack pricing into uncharted territory to the point of raising questions about use rates. At the printing time prices have slowly softened and use recommendations

John Schmidt

remain unchanged. Reducing or removing vitamins from diets for the short term could cause long term harm in production. Bottom line recommendation for all livestock rations is use balanced rations based on sound science and use quality ingredients!

Welcome Troy Youngerberg to our feed team! Troy joined our team out of Mankato assisting in the feed mill and driving truck.

**John Schmidt** - *Manager*

Brian Storm - *Operations*

Cindy Hering - *Accounting*

Casey Walters, Jim Schultz, Devyn Tierney,  
Grant Romberg - *Feed Mill Operations*

Michael Wagner, Howard Tauer, Liz Kietzer, Brad Fitzner,  
Nathan Staples, Brian Kloos, Chad Petersen, Loren Bruns,  
Dale Bartlett, Troy Youngerberg - *Delivery Trucks*

## GRAIN



Scott Ziegler

Spring is around the corner and many of you are busy getting things ready for the planting season. Checking over your tillage equipment, planters and spray equipment making sure it is ready for another growing season. This is also a good time to look at what offers you have in to sell grain for. During these times we get busy trying to do spring tillage, planting, spraying and putting up hay that we tend to forget about the grain markets or we hear that they were up today and call tomorrow to sell some and it might be too late. You can take advantage of our free offer service by giving us your price offers and let us watch them for you. If your orders hit we will notify you to let you know. If you are interested in placing offers please contact Karen at the Hanska office or Scott at Mankato.

### REDUCED PRICE LATER

Farmers Co-op of Hanska will be offering REDUCED PRICE LATER for grain hauled in after April 1st, 2018 and before August 1st, 2018. This will be subject to space availability at each location. Any grain brought in under this program will be charged \$.02/bu/month service fee and must be priced by October 19th, 2018. If not priced by that day the grain will be priced at noon on October 22nd, 2018. These bushels will not be allowed to be applied to any contract. They will be the current cash bid of the location hauled to on the day of sale.

Discount schedule for corn under this program are as follows: Corn will be dried and shrunk to 15% moisture.

There will be a USDA Supply and Demand Report along with a Crop Production Report coming out on April 10th. Early indications are that we will see an increase in soybean acres over last year and less corn acres than last year.

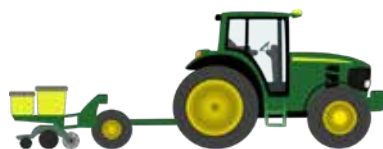
From everyone in the grain department we would like to Thank you for your continued support. Have a Safe Spring!!!

**Scott Ziegler - Manager - (800) 216-0742**

Karen Beranek - *Accountant*

Chris Walters, Amy Jones, Dusty Voges, Micah Deree, Shawn Jones, Henry Karstens, John Livingston, Tom Liebl - *Elevator Operations*

Randy Waibel, Randy Compart, Brian Flowers, Michael Denn, Michael Vogel - *Hopper Drivers*



## AGRONOMY



Bill Meyer

### Spring Preview

As I write this on March 23rd, we are under a winter storm warning for 6-10 inches of snow. Wow. I checked our records from last Spring to see when our first NH3 tank went out – March 31st. I am pretty sure that we will not even get close to that this year.

The fertilizer markets have been slowly rising throughout the Winter. The usual reasons are again being tossed out as the culprits. China has recently gotten on a clean air kick, so we are also seeing strength in the chemical market as well. The only advice that I have is that if you are still in need of some inputs, try to get them locked up as soon as possible because I think that we could see some very quick upward movement in both the fertilizer and chemical markets as the planting season kicks into gear.

Seed supplies seem to be in good supply with some of the “hot” products being sold out, so I don’t really foresee any issues with seed this Spring.

As you all are pretty much aware of, Dicamba has been the hot topic throughout the Winter. There have

been some more restrictions added for this year. The most notable being the June 20th cutoff date for applications. I think that this is going to really strain the ability to get residual control through canopy. The best that we can look forward to is 10-14 days residual control. This more than likely won’t get us there. Waterhemp germinates well into July. That alone will severely test our dicamba applications. We might have to look at adding additional chemical to try and gain some additional residual control. Scouting fields will be extra important this year.

As we get closer to planting time, please make an effort to come in and get maps ready if you have not done so already. We also ask that you give us a 1-2 day notice before needing any application work done. This helps us plan routes so that we can be as efficient as possible.

Thanks for the business, we truly do appreciate it!!!!


**Bill Meyer – Agronomy Manager**  
(507) 439-6244 Ext. 4

Melanie Grant - *Sales* (507) 318-0992

Jake Blake, Lance Sletta, Ed Ritz - *Operations*

**Farmers Co-op of Hanska**  
103 E. 1st St.  
Hanska, MN 56041

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Melanie Grant

Spring planting is fast approaching, even though the weather hasn't quite switched gears yet. As we move into planting season it is important to remember the success factors of planting your crop this year. For optimum planting conditions it is important to avoid doing tillage or planting into wet saturated soils. Keeping from doing this will allow you to create a better seedbed and reduce chances for compaction. When planting corn, soil temperatures should be at 50°F and planting depth should be around 2 inches. Avoid planting soybeans into cold and wet conditions as it could lead to seedling diseases and poor germination. Also, it will help avoid creating a crust on the top soil that could prevent some soybeans from emerging. Keeping these planting tips in mind, going into this season will help bring your crop the best yield potential from the beginning.

## SALES

I would like to thank everyone who participated in our seed pick up days. If you still need to pick up seed please give myself or the agronomy department a call so we can set you up with an appointment to do so. There are still opportunities to purchase quality corn hybrids and soybean varieties from our partner seed companies. (Croplan, Gold Country, Stine & Federal Hybrids) We also have alfalfa and buffer strip seed on hand.

I am very excited for this upcoming spring and look forward to helping you with anything that I can throughout planting and the rest of the growing season. Currently I am looking to make appointments to create maps for scouting throughout the summer so that I can better assist you. If there is anything that I can help with currently or in the future please feel free to contact me in the office or on my cellphone.

Melanie Grant - *Sales* (507) 318-0992

## CONVENIENCE STORE



Jeanne Willis

Greetings from the Hanska C-Store! It is time to put away the shovels and bring out the grills. Our April Diamond Reward specials are a 20lb propane exchange for \$20.95, or if you don't want to grill yourself we have hot dogs 2/\$3, these rewards are exclusive for the month of April. Don't forget about our Diamond Rewards specials that are year round such as 5 cents off/gallon of gas, and the buy 9 get the 10th free of slices of pizza, gallons of milk, and cups of coffee! Also just a reminder we have ethanol free 91 octane gas available. This fuel works great in classic cars and tractors and also in motorcycles and small engines. Thank you for your support and have a safe spring!

**Jeanne Willis** - *C-Store Manager* - (507) 439-6019