

# Farmers Co-op of Hanska

*Proud to be Farmer-Owned*

**Winter 2017**

1929-2017

88 Years



## **FCH Board Members:**

Brad Portner  
-President

Randy Aschenbrenner  
-Vice President

Mark Fischer  
-Secretary/Treasurer

Gerald Grathwohl  
-Director

Richard Wurtzberger  
-Director

Tim Miller  
-Director

Matt Suess  
-Director



Jerry Svoboda

In the Agricultural supply coop world there seems to be three trimesters to our fiscal year. August – November consists of closing out the previous fiscal year and shortly after taking in the harvest. By the end of November we pretty much know how the year is stacking up in terms of grain volumes, fall fertilizer and energy sales and service income. We are very pleased with the volumes we handled this fall and very much appreciate your trust in us. Volumes in every category from feed to propane, fertilizers to corn bushels all exceeded last year's by huge amounts. I'm

very optimistic that this year will much more successful than past years as long as we can keep our momentum of growth going.

The second trimester of the coop year is from December – March. This time of year is when we are preparing for spring. Seed sales and crop planning are robust. Our seed line up did very well in the test plots and local customers were very happy with the bushels that they harvested from our line up of Gold Country, Croplan, Federal and Stine brands. There are very attractive early order discounts available so please take advantage of those. This timeframe is a good time of year to get your diesel fuel contracted or delivered. Usually the best discounts of the year are in this timeframe to get your fertilizer and crop protection products prepaid. This is also the time of year we take a look what we can do for equipment and facility investments. As the business grows and we will be able to invest more in your cooperative.

The third trimester of the coop year is focused on getting the crop in the ground, custom application of CPP and fertilizers, seed deliveries, propane summer fills and finishing up your grain marketing. FCH has been offering more options to market your grain in recent times including OTC contracts that have been effective in helping pro-

ducers capture a little extra premium. Call Scott or Karen for more details.

If you attended the annual meeting on December 14th you would have heard the auditor's report on the 2017 fiscal year performance. Although it was not a profitable year from a book standpoint it was a huge improvement over fiscal 2016 by nearly \$1,000,000. The purchase of the feed and grain businesses in Mankato and Courtland back in 2015 along with investments in grain improvements at Hanska and New Ulm have created a large \$1.8 million depreciation bubble that we must get through. We have one more year until the depreciation expense drops to more manageable levels. Your coop's cash flow has been strong enough to meet all our cash obligations including the repayment of long term debt requirements. Unfortunately, there will not be any patronage dividends declared or equity paid out but there will be a pass through of the DPAD (section 199 deduction) of \$1,042,000 that you will be able to use on your tax returns. I truly believe the ship is turned around and heading in the right direction. We genuinely appreciate your patronage and loyalty and are extremely excited about how fiscal 2018 is stacking up. If you ever have any questions or comments about your coop don't hesitate to contact me at the main office in Hanska.

We would like to welcome Tim Miller to the FCH board of directors. Tim and his brother Todd operate at corn and soybean farm along with a market turkey enterprise just north of Hanska. We would also like to thank Richard Wellman for his 34 years of service on the FCH board. Richard has seen a huge amount of change over the years and we appreciate his commitment and guidance over that time.

There are a lot of people to thank as we enter the holiday season. I want to especially thank the great employee group we have here at FCH. They tackled an extremely busy harvest season working with less than new equipment and serviced our members very professionally and efficiently. We had one of our seasonal employees tell us he was shocked at the pace coop employees worked during the harvest rush and has a new appreciation for what they do. I'd like to thank the board of directors for their support. It is a thankless job a lot of the time but I can tell you that they really care about the coop and you as members. Most of all I want to thank our membership for the growing support you've shown us this past year hope we get the opportunity to earn more of your business!

**Jerry Svoboda - General Manager**

## ENERGY



Brian Stueber

The Energy Department wants to thank our patrons of the Farmer Co-op of Hanska for your continued business. FCH had an excellent drying season with the increase of LP sales of 268,000 gallons versus 2016 and 15,000 gallon increase on Refined Fuels.

Heating season is underway which means a lot of you will be calling for propane fills. Please call when your tank is down to 30% or no lower than 15%. This allows us to get you worked into our schedule fills route.

December and January are good months to consider locking in 2018 growing season fuel prices. Contact Jen for pricing and paperwork information.

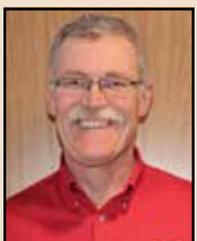
Thank you!

**Brian Stueber** – *Energy Manager*  
(507) 439-6244 Ext. 2

Dallas Larson - *Delivery*

Jenny Brandel - *Accounting*  
(507) 439-6015

## FEED



John Schmidt

This has been a banner year for feed grain production across much of Southern Minnesota. Grain quality into our feed mills has been excellent. If ongoing tests results continue, it appears we will be working with corn that averages 57# and 8% crude protein. The slightly lower protein and good test weight should

correspond to better than average starch (energy). While the crop quality appears to be excellent, mycotoxin testing has picked up low levels of vomitoxin (DON) and zearaloxone. Aflatoxin, fumonisin and T2 do not appear to be an issue in this area. While we continue to monitor mycotoxins, it does not appear that levels in southern Minnesota will reach levels of concern for most livestock. That said, sows and nursery pigs are more vulnerable and precautions are warranted. Poultry and cattle are more tolerant, but dairy cattle feeds should continue to be monitored. Rations with high levels of distillers grains should be watched closely because of the concentrating effect of ddgs production. Other feeds such as silage, hay, byproducts and bedding can also harbor mycotoxins. Why are we seeing the issues when feeds appear to be very good quality? Several contributing factors have been proposed including weather patterns and changing farming practices. So, what do we do now? The obvious first step is to avoid suspicious feedstuffs. Obvious molds in feed ingredients should be avoided or, if contamination is minimal, fed to the least susceptible animals. Testing can help identify the degree of mycotoxin challenge and should be used in combination with observable livestock performance. Are feed intakes down? Are there unexplainable challenges with health, reproduction and growth? If we suspect mycotoxin challenges, there are several good products that can be added to the ration to help

mitigate performance loss. Finally, a balanced feeding program can help overcome some of the challenges presented by molds and mycotoxins by helping livestock to optimize their natural immune defenses.

**Vitamin prices:** Vitamin prices have been increasing due to supply chain interruptions. Fires have slowed or stopped production in ingredient and vitamin processing plants. Countrywide crackdowns on pollution violators in China caused shutdowns of manufacturing plants until solutions can be implemented. All have led to price instability in vitamin pacs, supplements and premixes across feed lines. Suppliers suggest vitamin inventories will be rationed into the spring.

We continue to get requests for new and used swine nursery and finishing facilities. Good feeding spaces are in demand so it is a good time to expand or diversify your farm. If you have any questions about feeding opportunities call Steve, Brian or John.

Thank you for your feed business! We are honored and proud to be your partner in producing delicious and nutritious American made food! Have a very Merry Christmas and a happy, healthy and prosperous New Year!

**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, Mick Ross, Dale Bartlett - *Delivery Trucks*

## GRAIN



Scott Ziegler

About the time you receive this newsletter most of you will be getting ready to sit down and enjoy the holiday season with friends and family. I would like to take this time to "Wish all of you a wonderful Holiday Season."

The December crop report will be behind us and we will start to focus on the January 12th crop report. This report will give us our Final Acreage and Yield helping to set the tone for what our carryout number will be. Of course there are numbers like exports, ethanol and feed usage. We will also continue to monitor China as they are looking to get a handle on pollution, which will require more ethanol. This could come in the form of them increasing their own production or importing ethanol itself. We will also have to monitor the weather in South America and NAFTA trade agreements as they will both have impacts on the markets.

Farmers Coop of Hanska continues to offer a wide variety of contracts to meet the different needs of our producers. We offer Cash, Forward Contracting, Basis, and Hedge to Arrive, Conditional Bonus, Accumulator Contracts, Minimum Price Contracts and Direct Ship Bids. All these contracts are available for you to use and you can

even combine some of them, like a Conditional Bonus and Direct Ship.

Please feel free to give us a call as we would be happy to sit down and discuss which options might work best for you.

Be watching for our upcoming grain marketing meetings in January. These will probably take place the week of January 14th.

The Grain Department would also like to Thank all of you for your business and support this past year. HAPPY HOLIDAYS!!!!

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

**Karen Beranek - Accountant**

**Lexi Kasper - Grain Assistant**

**Chris Walters, Amy Johnson, 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

### Fall Review

This past harvest season was one that I think we are all going to look back at with mixed emotions. Yields were extremely good, especially corn, but weather conditions made it a long drawn out affair, although we could possibly say that it was more of a normal type harvest season.

It also made things tougher here for us. I would walk out to the fertilizer shed every day and just shake my head looking at the piles of fertilizer that we still had in the bins. Fortunately, we had an excellent November and we got a lot of work done. NH3 tons ended up significantly from last Fall, and P&K tons were even if not slightly better than last Fall.

As we look ahead to next year, nitrogen pricing looks like it will be pretty much the same that it was last year, with P&K pricing up slightly from last year. Chemical prices look to be steady with a few select products taking a price hike.

X-tend beans have been given the green light for next year with a few changes to the label. The chemical is now "restricted use" which means that you need to have a private pesticide license to purchase and apply

the product. Application hours have been adjusted. Wind speed of 3-10 mph is the window now. There are other changes which I will get into in our Spring newsletter when we are closer to planting season. We may schedule a grower meeting for sometime this Winter to fill you in once we have all the details and label changes.

Once again, I would like to thank each of you for your business this past year, and we look forward to working with you in the future.

We also have a new agronomist on staff. Melanie Grant started with us recently, and she will be out and about in the coming weeks and months. She is a recent graduate of SDSU and has done an excellent job on getting up to speed on the seed end of things. I will be helping her out with prepays as she gets more experience on the fertilizer and chemical products that we handle.



Melanie Grant

**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**  
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Hanska, MN 56041

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## CONVENIENCE STORE



Jeanne Willis

Happy Holidays from the Hanska C-Store! We have stocked up on all your winter needs, we have fuel additives, sidewalk salt, snow and ice scrapers, gloves, and batteries. While you are here, grab a pizza and wings to feed the hungry family. We also have cups of chili on Wednesday's. Our Holiday hours are as follows.

Dec 24th – Closing at 2pm

Dec 25th – Closed

Dec 31st – Closing at 6pm

Jan 1st – Closed.

Enjoy your time with friends and family over the Holidays!

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

## HUMAN RESOURCES

The Farmers Co-op of Hanska is seeking a custom applicator. Applicators apply fertilizer and chemicals to farmer's fields. Experience running farm equipment such as spreaders, sprayers, and tractors is helpful. Must have a CDL or have the ability to obtain a CDL. We offer excellent benefits such as: 17 days of PTO, paid holidays, cell phone reimbursement, clothing allowance, 401k, and a pension plan. We also offer the following insurance for the employee and their family: Health, Dental, Vision, STD, LTD, Company Paid Life Insurance, and supplemental Aflac insurance. Please stop in the agronomy location or call Brandon at 507-439-6014 to learn more.

 Like and follow our Facebook page for updates concerning Farmers Co-op of Hanska