

# Manager's comments

*By Larry Dunn*

I want to let you know that we have closed our fiscal year and that your cooperative had a profit for the year ending February 28, 2006. Although we are still lacking in some areas, we did have a profit.

Now we look to plans for the next year. We have been doing quite a bit of "projecting" as we prepare our budget and feel that there are some things that will change in the next 12 months. The markets and government programs will drive some of these changes while environmental and safety regulations will drive others.

We are seeing changes in our customers, what they need and want, and the things for which they are willing to spend their money. I feel that the coming year will be a very good one for your Elkhart Cooperative Equity Exchange. I want to thank all of our customers for their business this past year and I hope that each and every one of you have very successful years in 2006-2007.

Now I would like to use my remaining space in this newsletter to get on my soap box and say a few things about cooperatives, their members, and employees. This may offend some people which is certainly not my intent, and I am probably guilty of some of the things that I am talking about. However, I do want to cause people to think about the business they own.

Recently, I was in a store in another town, but it could have been your Elkhart Co-op, and I overheard three employees talking about the store for which they worked. I knew one of these people and they were willing to talk to me about one of the statements that was made — **"That is not my job."** Driving home that evening, I got to thinking about how that might relate to the Co-op. Not so much from the standpoint of the employees, but the member-owners. If we have that attitude in the employees of the cooperative, it is a problem that I must take care of. But, I am wondering how I might remedy such an attitude in the people who own the business for which I work. I want your Elkhart Co-op Equity Exchange to be the business of choice, not always with the highest price for grain, or the lowest price for fuel, fertilizer, or any of the services that we provide. I want customers to do business with the Elkhart Cooperative Equity Exchange because they feel good about doing business here. I want customers to feel proud that they own the business, and that they will tell others that they are proud to own that business. I do feel it is a reflection on me, on the employees, but mostly on the owners of the Elkhart Cooperative Equity Exchange if this is not happening. I want the Elkhart Co-op to be a profitable, customer-driven business that is the business of choice that everyone wants to patronize. That is not solely my job. It is the job of everyone who is a stockholder to provide business or capital in order to have a sound cooperative. We must have grain volume to keep these elevators open and in good repair. If your Elkhart Co-op is to maintain the equipment required to be in the custom application business, we must have enough acres to go over and be able to replace the equipment when required.

Maybe I need to get down and do more on my part, and I will; but I do want you to know that we can do our best and, for various reasons, still not always have the lowest prices for fuel, the best price on chemicals, or the highest bid on corn. But, when everything is valued equally, your Elkhart Co-op Equity Exchange will be competitively priced. Remember, if you don't use it, you lose it. Take care of what you own, be it your car, your house, your property, or your business.

## **Mission Statement**

**to be a strong,  
viable business exceeding  
our customers' needs,  
by providing  
highest quality service  
and products  
at competitive prices.**

### **Cooperative Description: Benefits and Responsibilities**

A cooperative is a business operated primarily to provide benefits to members through marketing transactions and through a distribution of patronage earnings from the transactions.

In return, *members* have a “responsibility” to provide ownership capital and exercise member control (governance).

## **Elkart Cooperative Equity Exchange**

### **Officers and Directors**

David Higgins Chairman

Ernest Barnes Vice Chairman

Jim Tucker Secretary

Troy Williams Director

John Smith Director

Randy Edelman Director

Troy Coen Director

Harry Minns Associate Director

# From the Grain Department

*By Barry Meyer*

The USDA acreage report came out Friday, March 31. Their prediction was 78 million planted acres for 2006. This was down approximately 3.9 million acres from 2005 and 3.12 million from 2004.

After the report came out Friday morning, the action started with December corn futures opening at \$2.70 and closing at \$2.68. The cash grain markets followed right along with this report with some old-crop grain being brought on Friday. Old-crop stocks in the elevators are slowly diminishing as the markets have been strong in recent months.

Along with our '06 new-crop orders for wheat, corn, and milo, we have also contracted some 2007 grain. With wheat futures ranging from \$4.20 to \$4.25 for 2006 and 2007, and corn at around \$2.69 for '06 and \$2.83 futures for 2007, eyebrows are being raised. We encourage you to sit down and try to pencil some numbers for 2006 and 2007. If you don't want to flat price for 2006 or 2007, maybe a hedge-to-arrive contract would appeal to you more. We'll put in an open order to lock in the futures that you would like and you set the basis later.

Since the rain and snow, all departments have gotten busier. Stop in and see us or your local branch office if you have any questions, concerns, or just want to chat. We want to serve our "old" and new customers any way we can.

I have ordered generous amounts of rain for after spring planting — just hope I don't get a rain check in return. Have a safe and successful spring planting season.

# Crop production notes

*By David Smith*

Here we are in the first week of April and, finally, we got some much-needed moisture. Although this is going to help the wheat crop, we are going to need some more timely rains to produce a good wheat crop. There is a lot of mustard showing up and the wheat is getting close to jointing at this time so we are running out of time to spray weeds. If we can help in any way, please give us a call.

If anyone is still undecided about what to plant this spring, you might consider forage sorghum. The dry baled hay inventory is being depleted in many areas of the Plains. This is a huge change from the situation just a few months ago when there was a glut of hay products all across the region. Alfalfa, sorghum, grass, and small-grain hay have been, and continue to be, trucked south for markets in the drought- and fire-impacted areas of Oklahoma and Texas. Hay prices in many areas have more than doubled over the course of the past few months.

There has been a very strong interest in sorghum/Sudan grass for establishment of a summer grazing program. Seed orders and inquiries have been especially high for the Grazex BMR products because of the way animals clean up the field with almost no waste. The price of sorghum/Sudan grass and other forage sorghum seed has been increasing on the broker market where these seed products are traded within the industry. We do not anticipate any changes in the pricing structure within the short-term since we realize the problems that in-season price changes can create for your business. Please be advised, however, that if these trends continue, price increases later in the season are a possibility. In addition, some product lines may be unavailable because they are completely sold out. This would be an excellent time to advise you and encourage you to plan early.

If there are any other needs for seed or chemicals we can help you with, please don't hesitate to call. I would like to let everyone in the Richfield area know that we are going to stock chemicals and liquid fertilizer at Richfield. Please give Dave Bashford a call about your supplies, or you may call us here at Elkhart. Thank you for your business this past fiscal year. We look forward to working with you now and in the future.

# **The Feed Mill**

*By Troy Rankin*

The grass is a little slow in greening up this spring. Many producers are moving their stock to grass pastures early because corn and milo stubble fields are about used up. With the recent moisture, the grass in the pastures should begin to grow.

It is a good idea to keep in mind that providing supplemental protein as well as minerals is very important in maintaining good health in your cows and to maintain growth of the calves. As usual, we at your local Co-op try to keep the products on hand that you need to run your day-to-day operation. If we can help in any way, just give us a call.

# The credit puzzle —

*By Carolyn A. Richardson, Credit Manager*

This is the tenth in a series of articles regarding the Credit Puzzle of your relationship to *your Co-op*. As you, as a producer/consumer, plan your purchases, it becomes increasingly important to time your seasonal purchases with sales that may be taking place in *your Co-op*. Sales personnel at *your Co-op* as well as other businesses that you deal with for inputs and purchases can stretch your dollars and help to make you successful in your agricultural endeavors.

## **Puzzle Piece No. 10**

Especially at this time of year, each of you as a producer/consumer must look at your total financial picture each and every time you purchase agricultural products. It is essential for not only your bottom line, but also for your overall financial picture to take advantage of sales that may be taking place at *your Co-op*. Taking some extra time early in the season, or even before the season comes up, to talk to your sales personnel at *your Co-op* will enable you to take advantage of sales that may be happening, or that will happen in the future.

Agricultural endeavors seem to be more and more dependent upon careful and wise planning in relation to purchases as well as financial planning. Any savings you can realize help now and in the future to make a success of your business. Make sure to give *your Co-op's* sales personnel a call or come in to see them so they can help you make timely purchases.

If you are going to experience unusual expenses that you know may affect your credit line with your *Co-op*, make sure to give me, your credit manager, or your general manager a call. Only through effective communication between us can we make your experience with *your Co-op* a success.

# Fuel and lubricant news

*By Billy Wayne Hines*

## Gas from the gas man:

How is spring going? Was that not a great first day of spring? Rain with a very wet snow. I am not a big fan of snow, but that one was great!

As you are well aware, fuel prices are beginning to rise. The fuel market has been on a roller coaster lately, but never seems to get as low as it previously had been. It seems to take two steps higher, then one lower, three higher, and one lower; and so forth; but keeps on inching its way a little higher each week. Indications for the weeks ahead look for a continual increase in price as we near the summer months.

One suggestion I can make is to use Cenex<sup>®</sup> Ruby Fieldmaster diesel for your farming needs. Using Cenex Ruby Fieldmaster can save you 9 cents per gallon. Ruby Fieldmaster delivers up to a 4.5% improvement in power as well as fuel economy over the standard #2 dyed diesel fuel. Not every supplier has a branded premium product like Cenex<sup>®</sup> has.

## Featured lubricants for April:

Cenex<sup>®</sup> Auto Gold 5W30 and 10W30, 12/1 case quarts for just **\$22.50** per case.

## Featured lubricants for May:

Cenex<sup>®</sup> Superlube TMS 15W40, 55 gal. drum, **\$408.00** each.

Cenex<sup>®</sup> Superlube TMS 15W40, 30 gal. drum, **\$234.00** each.

Please give us a call for quotes or if you have questions. We appreciate your business. See Ya!

# From Dermot

*By Carolyn Milburn and Ron Honig*

March left like a lion with 50+ mph winds. We are in hopes that April will be nicer and bring some more moisture. We did receive about an inch of moisture from the rain and snow. The wheat is looking better and the mustard and cheat are also growing real well. If you need to have your wheat sprayed for weeds or have it top-dressed, give us a call and we will be happy to help you out.

We will have some chemicals on hand here at Dermot. However, if you need a large amount, you might give us a call so we can be sure to have everything you need when you need it.

At the present time, we are shipping corn and getting ready for wheat harvest. If we can help you with spaying, fertilizer, oil, or feed, please give us a call. We will be happy to help. We thank you for supporting your cooperative.

# From Eva

*By Ruth Sipes*

Hopefully, spring is here. All the signs of it are in the air. The birds are chirping, wind is blowing, dust is flying. The dandelions are blooming as well. It makes you want to get out and work in the yard.

We have all kinds of fertilizer and lawn supplies for you to use to get those lawns greened up so you can mow all summer. Stop by our branch to see what we do have to use in your yards.

I try to stock all types of feed, oil, and chemicals. If we don't have exactly what you need, I can bring it down from Elkhart. We appreciate all of your business.

# **From Feterita**

*By Servando Baeza*

(No story for this April - May 2006 issue)

# From Keyes

*By Chris Townsley*

Well, it seems like the main topic never changes. We still need moisture and the wind is still blowing. Will it ever end? For the sake of our wheat crop, something had better change in a hurry. Although we did get 4 to 6 inches of snow in late March, the wind managed to blow most of it off the wheat fields. We are still in desperate need of rain, snow, or even a heavy dew to settle the dirt.

The wheat market has been on a roller coaster ride over the past 6 weeks. We saw new-crop wheat climb all the way to near \$4.30 a bushel, then tumble back to \$3.70, and now rebound back to \$3.90 at this writing.

Elevator activity has been steady at our location. March got us started off by loading out 25,000 bushels of wheat, and we are currently loading on 73,000 bushels of wheat contracts. We also have a 75,000-bushel milo contract waiting to be trucked out. Sunflowers are still in storage at this time.

Now is a great time to have those soil samples taken to help you decide which direction to go this summer with fall-harvested crops. Fertilizer prices have come down some, but they still remain strong going into the spring season. While on the subject of fertilizer, don't forget about the lawn. Now is the time to apply preemergent weed and grass killers. A good dose of nitrogen will also help your lawn green up this spring.

# From Richfield

*By David Bashford*

This is a very busy time at your local Co-op. We are top-dressing wheat and some of our customers are doing their own top-dressing after the snow and rain. We had approximately 1.03 to 1.51 inches of moisture.

We have begun keeping chemicals in our warehouse. If there is something we do not have, we can usually get it the next day, or even sooner. Soil samples are still being taken in fields where milo and sunflowers will be planted. Bring us your list and we will get those samples taken as soon as possible.

It is nearly time for cows to go on grass. Most of you work your cows and calves before they leave home. Your Co-op has the products you will need to get this job done.

This is the time of year to apply crabgrass preventer on your lawn. We have Balan and Pendulum which are granular products for crabgrass control. We also have crabgrass preventer in liquid form.

Once again, I would like to thank you for doing business at your Co-op. Your patronage is appreciated.

# Rolla News

*By Richard Carter*

Hello from the Rolla branch! Spring is finally here! We received some good moisture from all of the snow. Doing maintenance work on the ammonia nurse tanks and shipping out some corn has kept us busy.

Corn planting time is upon us. Keep us in mind for your chemical and fertilizer needs.

Thank you to all who showed up for our customers' appreciation dinner. We appreciate having you do business with your Elkhart Co-op.

# The Rolla Station

*By Charlotte Kallenbach*

I want to thank everyone who took time out of their busy day to join us on our Appreciation Day. It was a busy time here for a few hours.

We are surely thankful for the moisture. It helped change a lot of attitudes.

Fuel continues to go up daily. Where it will stop, no one knows.

School will soon be out so keep your eyes open for the little ones on their scooters, bikes, skates, and just playing close to the roads.

If you didn't have time for a safety check on your vehicle during the winter months, now would be a good time. We don't want you to be stranded out on the highway between here and there. A few things to check would be the fluids — oil, power steering, windshield fluid (in case we get a rain), — antifreeze, battery, and brakes. The belts might have cracks in them that you are not aware of. The radiator might need to be flushed — they say about every two years so it will cool and heat properly. Tires are usually neglected but they are important and you should keep the correct air pressure in them for even wear and to prevent blowouts. We keep all of these items on hand.

If you would just give us a call, we will be able to set up an appointment and check your vehicle over. Proper maintenance of your vehicle will make it perform longer and better plus save you money in fuel and repairs down the road.