

# Co-op Gleanings

## Elkhart Coop Equity Exchange

Volume 13

August - September 2006

Number 3

## Manager's comments

*By Larry Dunn*

Most of you know that your Elkhart Co-op is in the process of changing its business structure by selling the Cornerstop and Service Station in Rolla. Working to maintain the integrity of your cooperative, it has been determined that the Service Station/Parts Store and the Cornerstop in Rolla do not fit with our business plan. Your board of directors has spent many hours in reaching this decision. They have consulted with auditors, lenders, and others who have input in the decision making process. Your board of directors did not want to see the Rolla area deprived of these services and has worked diligently to sell these facilities instead of closing the doors. The board has worked to make sure that fuel will still be available in Rolla and that the Cornerstop remains open for the people of the Rolla area.

With the current mobility of society, our competition is not only the business across the street or the same type of business in the next town. We see products and services coming into our trade area from over 250 miles away. Competition is what has made this country great, and I am not saying that we don't need a competitive environment. However, times change and the ability of one company to handle certain products can be very different than that of another.

The agriculture economy in our area is having a very tough time and I believe I read that this is year eleven of the drought. If your cooperative is to remain a viable business in Southwest Kansas and the Oklahoma Panhandle, we must adapt to the changes that are happening. Looking around at our customers we see they have changed their operations over the time that I have been in the area. Farming operations have expanded while many of the farmsteads have been abandoned. When these operations consolidate and become larger, the business environment changes and we as a business must also adapt. We have witnessed the change from using the plow to the use of strip-till farming. Making these changes is a must for your operation and as you make changes, your cooperative must also make changes.

We will be changing other parts of our operation as we endure the fact that we received 25% of a "normal" wheat crop. Looking at the fall crop outlook, it would appear that the milo crop will be short again this year. However, the corn crop looks to be at least normal in yield potential. Energy sales are holding due to the fact that we have been able to add new business to replace the amount of fuel that you have been able to cut out of your operations. The agronomy department has been holding together as the high cost of fertilizer has lowered somewhat, but we are not spreading fertilizer or spraying chemicals on the same number of acres, again because of the way each of you operate more efficiently.

Although cutting operations is never pleasant, sometimes this must happen as we all want to maintain your cooperative as a profitable, viable business. I extend to you an invitation to the annual meeting and dinner the evening of August 22, 2006 at the Elkhart City Hall. Dinner will begin at 6:00 p.m. and the business meeting will follow. We hope to see you there.

The  
**Annual Meeting**  
of the  
Elkhart Cooperative Equity Exchange

will be held  
**August 22, 2006**  
at the Elkhart City Hall  
Dinner at 6:00 p.m.  
The Business Meeting  
will follow dinner

*Please come join us!*

**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*

Where has the summer gone? By the time you read this newsletter, the fair will be over and school and fall sports will have begun. Your cooperative's annual meeting is on Tuesday, August 22. All department managers and staff will be present to help serve the meal and answer any questions that you may have. We hope to see you all there.

Wheat markets have seen a lot of volatility over the last month and may stay that way for a while. Spring wheat production was sharply lowered in the Dakotas. It looks as if they are having the same drought issues that we had this spring. The first planted-acres report for Hard Red Winter Wheat will be out the middle of September. What will happen then? Barry's crystal ball is blurry and Nancy and Cindy are out of glass cleaner.

Corn and milo markets haven't really done much this past month. It sounds like the Eastern Corn Belt has been receiving decent rains recently. The markets should be driven down, but we have a lot of traders just trading paper. Gold and metals are also helping drive this market. Informa estimated corn production at 150.8 bushels per acre and 57.3 bushels per acre for milo. FCStone estimated corn production at 151 bushels per acre. Corn crop conditions have dropped 3% recently with 56% good to excellent. On August 11, USDA will come out with their production reports for fall crops.

Our Agris One-way Point of Scale is now in operation and will be used at our Elkhart location for corn and milo harvest. We have been using it for all outbound grain shipments and transfers. So far it is working quite well.

Please watch out for the little ones as school starts because many times they are too busy to watch for you. We encourage you to support your area school's activities this fall.

Remember, just because we're in the grain department doesn't mean that we can't help you with your feed, fuel, fertilizer, or chemical needs. If we don't know the answer, we'll find someone who does.

## Crop production notes

*By David Smith*

Here we are in the first week of August dealing with very hot and dry conditions. In some areas this is causing problems getting a good kill on the weeds in the wheat fallow fields. My advice at this time would be to use the full chemical rate and watch the application temperature.

Here is a question that has been asked several times:

**Q** : Will there be any problems in using some of this year's wheat crop as seed this fall? Our wheat had low yields because of drought and streak mosaic. Test weights were about 56 to 57 pounds.

**A** : There's no simple answer to this question says Jim Shroyer, K-State Extension wheat specialist. If you want to plant back some of the wheat you harvested from this year's crop, you should have it cleaned out to a test weight of at least 56 lbs/bu if possible. Wheat with a lower test weight may emerge just fine, but it will often have lower vigor and yield potential than wheat with a higher test weight. When there is stress on the seedlings or young plants in the fall from freeze or drought or some other factor, the effect of higher test weight seed is often greatest, Shroyer says.

Wheat should be cleaned with a 6/64 screen, if possible. If that cleans out far too much of the wheat, then a 5.5/64 or even a 5/64 screen will do, but no less than that. Cleaning wheat with less than a 5/64 screen will do little or no good. If operated properly, an air/screen cleaner will remove all the weedy annual brome species such as cheat and downy brome from wheat. If there was rye or Italian ryegrass in the field, the wheat should not be planted back. In that case, it's best to sell the wheat then buy new seed.

Where there was freeze injury, producers should have the seed tested for germination by a reputable laboratory. The test costs about \$15 but it's well worth it. Home germination tests are not as accurate and reliable, especially where freeze damage has occurred. There is no sense risking poor germination for lack of a \$15 germination test. If there was loose smut or common bunt present in the field, you should consider having the seed treated with a fungicide seed treatment. This should be applied either by a professional seedsman or with an auger-based system on-farm. Drill box treatments don't do an adequate job of coverage.

Take care to plant the best quality seed possible this fall to get good emergence, early-season vigor, and yield potential, Shroyer says. It makes no sense to plant poor-quality seed that will just create more problems next season. Certified seed is the best option. And always remember, if you buy seed of a PVP-protected variety, it must be certified or registered seed.

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On that note, I would like to let you know Grain Conditioning, Inc. will be in the area and can be contacted at 970-454-0695 or 970-301-2310 (cell). If we can help you with your wheat seed needs, please give us a call.

Thanks from the Agronomy Department.

# The Feed Mill

*By Troy Rankin*

(There is no story for this Aug - Sept 2006 issue)

## Fuel and lubricant news

*By Billy Wayne Hines*

### Gas from the gas man:

In our last couple of newsletter articles, we have discussed fuel prices and availability as well as Ultra Low Sulfur Diesel. We have tried to answer as many of the questions concerning the ULSD as possible. One that keeps arising is, "What about the lubricity of the newly formulated ULSD?" Lubricity content of diesel fuel is directly related to sulfur content. As you lower sulfur content in diesel, you lower the lubricity. Lubricity is measured using HFRR (high frequency reciprocating rig). HFRR is a wear scar test. On the HFRR scale the lower the number the better. The table listed will give you some reference:

700 HFRR	ULSD
520 HFRR	ASTM
460 HFRR	OEM
440 HFRR	Ruby Fieldmaster and Roadmaster

As you can see for yourself, based on industry standards, the Ruby Diesel products are right in line. Every terminal that sells ULSD across their rack must assure it meets 520 on the HFRR scale. If it does not meet 520, the terminals are required to add lubricity to the fuel.

The lubricity improver in our premium diesel package will provide our customers with lubricity performance that will lower maintenance costs and limit downtime! If you are not currently using Ruby Fieldmaster or Ruby Roadmaster, NOW might be a good time to start. If you have more questions or concerns, please give us a call here at the Elkhart Co-op. Thanks for your business, and I will see ya!

## From Dermot

*By Carolyn Milburn*

There is not much news from Dermot at this time. We have some fertilizer going out and we are shipping wheat as we are getting ready for fall harvest. We are hoping for a good and safe harvest for all.

A few little showers have come by Dermot, but not enough to help the corn and milo. Maybe, during fair week, we will get some rain and everyone can get excited about planting wheat. It looks like there will be quite a few acres planted to wheat this fall so let's all hope for a good wheat year.

Now is a good time to start thinking about what you are going to need for your cattle

operations when you start bringing them in off of grass. We can get medicine, needles, ear tags, and other products that you may need if you let us know in advance.

We want to thank everyone for your business and continued support of your Co-op. Take care, have a safe harvest, and please watch out for the little ones who are headed back to school.

## **From Eva**

*By Ruth Sipes*

Greetings from the Eva branch of the Elkhart Co-op. We have almost finished shipping out sunflowers.

I want to thank the Elkhart, Yarbrough, and Texhoma fire departments for responding to the fire we had down at Eva on July 5. The belt in the tunnel caught fire and put out a lot of black smoke. There were no injuries or explosions. Someone up above was watching over us as it could have been much worse. We are blessed to have special people who put out fires and the EMTs are always there to respond if needed. Those groups of volunteers are my heroes.

We have been selling some anhydrous ammonia. If you need any anhydrous, let me know.

We try to stock all types of feed and oil here. If you need any chemicals, give me a call and I can bring them down the next morning.

## **From Feterita**

*By Servando Baeza*

Well, as we all know, we missed out on some good chances for rain. This hot and dry weather hurt our fall crops, especially those without irrigation.

Earlier, we moved some anhydrous ammonia for wheat ground. Give us a call if you want a soil sample taken so you can put on the right amount of fertilizer.

Our elevators are empty and cleaned ready for the fall harvest. Hopefully, everybody is pleased and happy with your fairs this year.

Pray for rain. We surely need it

## **From Keyes**

*By Chris Townsley*

Here it is the first week in August and everyone is gearing up for another school year. Along with school starting and summer coming to an end, August 22 is also the time for the annual meeting of the Elkhart Co-op. Please make plans to attend if at all possible. After all, this is **your** business and it is very important for you to know what is going on here at the Co-op. This is also a good time to give your input on ways to improve the Co-op. With the election of two directors, it is becoming more and more important for each member to become involved in the Co-op. At a time when the field of agricultural products is becoming a very competitive price war, please keep in mind we are doing our best to stay as competitive as possible while still keeping the

company's future in mind.

We have yet to load out any of our new-crop wheat from this year's harvest. Only 1996 and 2002 have been worse wheat harvest years since I have been here. Although we did take a few more bushels than we had anticipated, it was still a very dismal harvest. We are still storing our sunflowers but we hope to begin hauling them out in the near future. We have, however, loaded out some milo the past morning. With fall harvest approaching, we have been busy preparing the elevator by cleaning and doing routine maintenance.

Our busy chemical sales have tapered off a little, but with the recent moisture it looks like the weeds have taken off again. Fertilizer sales have picked up after harvest but are still slower than normal at this time.

Stop by the Keyes branch if we can be of service to you and we'll do everything possible to meet your needs.

## **From Richfield**

*By David Bashford*

Hello from the Richfield branch. Wheat harvest came and went with this branch taking in about 300,000 bushels.

As I am writing this, we are getting a little rain. The fall crops are in much need of moisture.

The elevator is almost empty and ready for fall harvest. Hopefully, we will see a pile of milo on the ground.

Thanks to all of you for your patronage. We look forward to helping you this fall.

## **Rolla News**

*By Richard Carter*

Hello to everyone from all of us here at the Rolla elevator. We hope you have had a good summer and have taken some time off to be with your families.

All we can say about wheat harvest is that we had a harvest; it was not good for any of us. Thanks to those that did bring wheat to us.

We have plenty of feed for your animals. If we do not have what you need, let us know and we will do our best to get it for you. Thanks to all the 4-H kids who purchased their feed from us this year.

Please remember the annual meeting of the Elkhart Cooperative Exchange will be August 22 at 6:00 p.m.

Thank you for all the business you have given the Elkhart Co-op in the past and we look forward to serving you during the upcoming fall harvest.

If you have any questions or problems, feel free to stop by or give us a call.