

Manager's comments

By Larry Dunn

I recently attended a meeting in Wichita where one of the speakers was a meteorologist from Iowa State University. This professor was very good in that looking at past information about weather can be very boring at times, but some of his statements were the kind that would make everyone sit up and take notice. Perhaps the one that concerned me the most was the statement that we are just starting into a drought as defined by the fact that the nation has not missed a grain crop. We have seen some of the effects of drought in higher grain prices this year. If the nation as a whole would produce a corn crop of less than 10 billion bushels, down one billion from this year, what would the price of corn be at that time? With the increased demand for feed grains in Southwest Kansas and the High Plains of Oklahoma and Texas, corn and grain sorghum will become more and more valuable. This could be the downfall of the cattle and hog feeding operations that have been a vital part of our economy in the past. I do feel that everyone should be looking at the price of feed grain that will be profitable in the future. I do hope that there is not a missed crop in the United States and that we can continue to produce the amounts of feed grain we need in the area to keep from having to import grain.

I feel that with additional moisture this winter and into spring, we could see a wheat crop in June. I do not want to make a guess as to the price of wheat as \$4.00 corn will cause some of the wheat acres to be moved to corn.

Your cooperative is working with some other cooperatives in the area on several different projects to spread some of the expense of providing products and services to our members. Elkhart Co-op is a member of Western Cooperative Seed; Southwest Crop Nutrition LLC; Kansas Farmers Service Association; CHS, Inc.; and Safety Resources LLC to name a few. By working together, we can provide products and services that you have come to expect.

Elkhart Co-op Equity Exchange will be offering some input financing programs for our patrons this year. We feel that to better serve our customers we need to offer a variety of input financing for our members. This will be offered to all of our customers but will be required of anyone who is past due on their account. Elkhart Co-op cannot continue to finance inputs as we are not a lending company and do not intend to become a bank. Today there are two companies that will work with Elkhart Co-op to finance your inputs and we are working on a third. Please come in and visit about these input financing programs. This will save quite a bit of finance charge expense for you and at the same time help keep Elkhart Co-op's accounts receivable to a minimum.

I want to remind everyone that, at this time, the board of directors is open to inquiries regarding selling or leasing the station in Rolla. Please contact us if you have any interest in leasing or purchasing this type of business.

I would also like to announce that I have decided to retire from my position as general manager of the Elkhart Co-op. I have enjoyed the past 36 years, starting as an employee in the elevator and finally becoming general manager about 20 years ago. I want to thank the patrons, directors, and employees of the association for all their support in the past. I also want to wish the Elkhart Co-op continued success in the future. I do believe that the employee base here at your Co-op is one of the best in the cooperative system, and I know that the customers and directors are some of the best people in the world. Again, thank you for all the past times, and I will be visiting with all of you in the future.

From the Grain Department

By Barry Meyer

I hope everyone had an enjoyable Thanksgiving and was able to start their Christmas shopping the day after. It looks like you could get hurt in the shopping malls on that day.

With corn and milo harvest finished, we in the grain department would like your feedback as to how we can serve you better at harvest time. The one-way system in Elkhart seemed to work quite well with very few glitches. Be looking for more of these systems to possibly be installed at other branches. We took in 2.5 million bushels of corn and approximately 700,000 bushels of milo. With the short wheat crop this past year, we didn't have to pile any corn or milo on the ground.

Volatility is the key word for our current grain markets. We have seen big swings in the cash and new-crop markets over the last few months. Marketing these bushels can be somewhat overwhelming at times. What should I do with my old-crop, or how should I start marketing my new-crop bushels for next year? These are questions we often hear. We recommend contracting 65 to 70% of your total bushels. This will leave the rest in cash and still be covered by your crop insurance. Many have already contracted between 25 and 30% now going into winter. This will leave us time to contract the other bushels before harvest. I invite you to come in and talk to us or with the people at your branch office regarding options you may use in your marketing plans that best suit your operation.

We hope that everyone has a safe and enjoyable holiday season. Remember, Santa Claus is watching you!

Crop production notes

By David Smith

Here we are in the first week of December and we've had a taste of winter. Next year's wheat crop is off to a pretty good start. With a little help from the weather it is showing some potential.

Here is a question: Is there any research in Kansas on whether it's better to apply dry or liquid N to no-till dryland wheat planted late after grain sorghum?

The answer: When top-dressing wheat with N, the two main choices are dry urea or liquid UAN, says Dale Leikam, K-State nutrient management specialist. Research at K-State shows that there's no difference in yield between those two sources when top-dressing wheat during cool weather. As a practical matter, it might be best to apply dry urea when top-dressing no-till wheat, since the dry fertilizer particles will filter down through the residue onto the soil surface better than liquid N, Leikam says. This will slightly reduce the amount of N tie-up or immobilization on residue. Whether this really makes a difference most years is doubtful, but it is a consideration, he says.

The next best option would be to dribble-band liquid UAN on 15 – 18 inch centers. If the top-dressing application is made during cool or cold weather, the source makes almost no difference. That's because N immobilization occurs only during warm weather, and precipitation will almost certainly move any applied N, even liquid, off the surface residue and down into the soil before the weather warms up, Leikam says. There were several research trials by K State agronomists on N timing and sources in the 1970's and the 1980's. Most of them showed no difference as long as the N gets into the root zone before jointing. Below are the results of just one of these tests:

Effect of nitrogen sources on reduced-till continuous wheat yields				
K-State Northwest Research-Extension Center: 1984				
Application timing	N rate (lbs/acre)	Nitrogen source	Application method	Yield (bu/acre)
Spring greenup	80	UAN	Dribble	53
Spring greenup	80	UAN	Broadcast	53
Spring greenup	80	UAN	Broadcast	52

Again this year, your Co-op is offering the top-dress program during December, January, and February. During this period, we will take one dollar an acre off the application rate, and we will delay the billing until February 28, 2007. This means you will have until March 15, 2007 to take advantage of the cash discount. If you have any questions, call me or Kelly, or talk to any of the branch managers.

I would like to welcome Justin Hammer who will be our seed salesman. Justin is employed by Western Cooperative Seed and your Elkhart Co-op is a partner in this company. You can contact him directly by calling 620-952-0852 or through the Agronomy Department.

We would like to wish everyone a happy and safe holiday season.

Fuel and lubricant news

By Billy Wayne Hines

Gas from the gas man:

Our milo harvest is just about complete as the holiday season is upon us. I can't believe the holidays are here. As I am putting my thoughts together for this newsletter, I keep thinking, "Is Santa really going to stop and see my wife this year? Has she really been a good girl?" Only Santa knows.

The fuel and oil department is coming into its seasonal slowdown. There is not much happening out there. I have been watching the fuel market and it has been bouncing between a high and low range — overall, not really doing much. All predictions are for the market to give us some lower prices as the new year gets closer.

Antifreeze

Full strength **\$7.10 per gal.**

50/50 mix **\$5.99 per gal.**

(Available in 6, 1-gallon cases)

Bulk, full strength **\$6.90 per gal.**

If I don't see you before the first of the year, Merry Chiasmas and Happy New Year! Thank you for this past year's business. We look forward to doing business with you next year.

The credit puzzle

By Carolyn A. Richardson

This is the eleventh in a series of articles regarding the credit puzzle of your relationship to your Co-op. While you are mainly concerned with making your own agricultural business a success, it is vital that you keep the global economic rate of growth in mind. It has a large impact on agricultural and money markets. Not only is your success governed by this rate of growth, but your Co-op's growth will to some extent depend on this global rate of growth.

Puzzle Piece No. 11

The global economic rate of growth appears to be strong, but that of the United States appears to be somewhat soft. This is, in part, due to the volatile oil prices as well as metal prices. World-wide growth in the human capital and investment continues to keep the economic rate growing. While the expected rate of growth is not as large as anticipated, it continues to be strong.

What could this possibly have to do with your agricultural endeavor? You as a consumer of fuel are well aware that the continuance of these high prices will have a continuing effect on your input costs. It is just one more piece of the increasingly difficult agricultural puzzle that you encounter each and every day. Discussing your future use of fuel in your business with your Co-op's fuel manager will enable you to utilize the market in a successful manner.

At this time of year, it is also advantageous for you as a consumer and producer to discuss with your Co-op's different sales departments any purchases which can be set up for the future which take advantage of discounts and specials. This can help reduce your input costs as well as help you manage your overall financial situation to an advantage. Agriculture is becoming more and more dependent upon successful planning if you want to make your business a success.

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

From Dermot

By Carolyn Milburn

Hello from Dermot. We're not feeling "newsy" but we'll try to come up with something.

Fall harvest is all finished for the most part. We had some good corn and good milo, but then we had some poor corn and milo. Harvest was kind of like a roller coaster ride, as most of the year has been. Everyone is about ready for the ride to stop.

The recent cold front was just that, cold and not much moisture. We are moving a little fertilizer and we are offering the top-dressing program again during December, January, and February. Give us a call for detail.

We hope you and your families have a wonderful Christmas and Happy New Year. Thank you for doing business with your cooperative.

From Eva

By Ruth Sipes

Greetings from Eva. I hope that everyone had a nice Thanksgiving with their families.

Fall harvest is almost finished. A lot of the milo was a light test wight. The insurance adjusters have been busy. Maybe 2007 will be a more profitable year for our farmers.

I try to stock all types of feed and oil here at Eva. If you need chemicals, let me know ahead of time so I can bring them down from Elkhart the next day.

I want to wish everyone a Very Merry Christmas and a Happy New Year!

From Feterita

By Servando Baeza

Well, we finally made it through another harvest. The corn took forever to dry down. We had plenty of room in the elevator for fall harvest and we are still shipping out corn.

By the time you receive this letter, I will no longer be working at your cooperative. I want to thank my co-workers and our customers for working with me through all the years. You have all been good to work with and to work for. You have accepted me like family. Thank you! I wish you all happy holidays and many more prosperous harvests.

From Keyes

By Chris Townsley

Happy Holidays from all of us at the Keyes Branch. Our fall harvest is finally drawing to a close as milo should all be in the elevator when you receive this letter. We started corn harvest in late September so our crew as well as our families have been eagerly looking forward to a weekend off work!

Our elevator took in 330,000 bushels of corn and should finish with close to 250,000 bushels of milo. The milo was a disappointment to most producers this year. Test weights averaged in the high 40's and several fields were not even worth cutting. The strong wind we had during harvest didn't help matters any either. With the light test weights, we were thankful that we did not have milo piled on the ground when the great northerner blew in as the pile would have moved to Main Street. One positive note for milo farmers is the unseasonably high grain price. Milo is currently at \$3.51 a bushel at the Keyes location.

Several bushels of corn have been loaded out. We have also been transferring some wheat to Elkhart to be blended and loaded out on rail.

Although we have had above normal temperatures lately, the weather forecasters have colder weather predicted ahead. Be sure the antifreeze protection is strong enough in your vehicles and equipment. Remember, we have a good supply of bulk antifreeze on hand at \$6.90 per gallon. The cold weather can be especially hard on the battery in your vehicles. We stock several Exide batteries to fit most vehicles. Give us a call if you wake up and have a dead battery in your vehicle.

Also, keep us in mind for your feed and minerals for cattle. We have a good supply of protein tubs, mineral, and salt for cattle grazing on wheat or stalks. We look forward to doing business with you in 2007.

From Richfield

By David Bashford

Seasons' greetings from the Richfield Branch. Milo harvest is not quite finished as this is written. Most of you know the quality and quantity of grain was down from years past.

Winter time is here as we got a taste of it the last week of November. Temperatures dipped to the single digits. We are beginning to do some maintenance work on the anhydrous ammonia tanks to get them through another season without too many problems.

Some of you will be applying anhydrous ammonia when the temperature is cold. I would like to remind you to keep a container of clean water in the tractor cab as the safety water on the nurse tank could be frozen. It is important to have water available at all times when handling anhydrous.

Our thanks to everyone for doing business at your local cooperative this past year. Merry Christmas and Happy New Year to you all!

Rolla News

By *Richard Carter*

Seasons' Greetings from the Rolla Branch. The fall harvest is over and we can put the 2006 harvest in the pile of those not to remember. Our thanks to all of you who delivered your grain to Rolla.

Do you need to keep up with the markets? You can check the closing markets by going to www.elkhart.coop or you can call our commodities quote line at 593-4600 any time.

We have alcohol, starting fluid, windshield washer fluid, deicer, shop paper towels, airbrake antifreeze, leather gloves, and pliers in stock while supplies last. Stop by for your supply.

I would like to thank all of our patrons for their business this past year, and we look forward to your business next year. If you have any questions or problems, feel free to stop by or give us a call. Everyone here at the Rolla Branch would like to wish all of you and yours a Merry Christmas and a safe New Year.

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
Troy Coen Vice Chairman
Jim Tucker Secretary
Mike Johnson Director
Harry Minns Director
John Smith Director
Troy Williams Director
Larry Dunn General Manager