

Manager's comments

By Larry Dunn

The end of the fiscal year for your cooperative (February 28, 2006) is approaching. It appears the past year has been successful and we want to continue to build on the past and have a greater success in future years. We feel that we have taken some of the strides needed to create more revenue streams, thereby creating more profitability for the cooperative.

I think we have a very good staff of employees in place. This is a group of successful people who have a desire and the determination to be involved with other successful people and be a part of a successful business. I want to thank all the employees for spending extra hours and personal time to increase their knowledge in order to better serve you, our customers and owners.

I want to thank Richard Harlow for the time he spent as an associate director for the Elkhart Co-op. Richard, thank you for your past two years of service and for your input at every board meeting.

The board has appointed Harry Minns as an associate director. Harry lives and farms in the Keyes/Eva area. I am sure that he will be a good addition to our associate director program.

We, here at the Elkhart Co-op, have been diligently preparing for our year-end audit. Our auditors will send out confirmation letters to everyone who has grain stored in Elkhart Co-op's elevators. Confirmation letters will also be sent to a percentage of people who have charge account balances. Please return these letters to the auditors as they are an integral part of our audit process.

Again, I want to thank everyone for his or her business in the past year. I do not know exactly what the year ahead will be like, other than it will be very challenging. I feel that low-cost energy as we have been used to having in the past is over. We all know that as the costs of energy go, so go the costs of inputs for grain production. I feel there will be opportunities to lock in prices for grain that will be better than we have seen in the past year. I also feel there will be a time when you will be able to lock in some of your input costs at prices lower than they are today.

We, here at the Elkhart Co-op, will be asking for the right to earn your business. You can expect us to be calling you, driving out to see you, and asking for your business when you are in our offices.

Remember, do not let something that you can control be the limiting factor in your operation.

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

Decisions, decisions, decisions. That's what most of you are thinking about for this coming spring. Buying fuel, fertilizer, chemicals, and marketing your grain can consume a lot of your time. With cash and new-crop prices being up recently, your decisions can be made harder, or easier. We, in the grain department, will work hard to help you market your cash and new-crop grains. Open orders, Hedge-to-Arrive contracts, Basis contracts, and the new No Knock-out Accumulator contracts can be used to market your new-crop grain. The cash prices on these new-crop contracts are very inviting right now. With the winter being very dry, we know it's hard to make decisions about the upcoming spring planting season. We want to help you make good decisions in marketing your old- and new-crop grain for the coming season.

While I am writing this, all the milo and most of the corn that was on the ground has been picked up. At Feterita, they are shipping the corn that was in the bunker. The bunker should be emptied in another week. The corn went in dry and was in good shape when it was uncovered.

We want to earn and keep all of our customers' business. Just because we're in the grain department doesn't mean we can't help you with your feed, chemical, fertilizer, or fuel needs. If we don't know the answer, we'll find someone who does. We wish all our customers a safe and wet spring planting season.

Crop production notes

By David Smith

Here we are into the month of February and conditions are very dry. For the most part, the wheat stands are generally good. If we get some moisture in the next few weeks, the wheat will have some potential for a crop

As dry as it is, the weeds have not stopped growing. Here are some notes on cheat herbicides (Finesse Grass and Broadleaf, Maverick, Olympus, and Olympus Flex). They are normally applied to wheat in the fall or early spring. However, these herbicides can also be effective when applied in mid winter when temperatures are relatively warm as they have been in January in the Central Plains according to Dallas Peterson, K-State Extension weed management specialist.

There have been several questions about leaf-burn on wheat when broadcasting UAN in warm weather compared to applying in cold weather. "It's possible, but don't worry about it," says Dale Leikam, K-State nutrient management specialist. In K-State tests, leaf burn from UAN usually occurs only when it is applied in April or May when it's warmer. In general, this is too late for most efficient nitrogen use and leaf burn is not the problem. When nitrogen is applied at the recommended time, November through February, leaf burn does not cause yield loss. The benefits from applying nitrogen early enough to get it into the root zone before the jointing stage more than makes up for any potential damage caused by leaf burn.

During the months of February and March, your Co-op is offering a chemical booking program. This program allows you to lock in a price for the chemicals that you know you will be using on this year's row crops. You do not pay for the chemicals until they are applied or picked up. All booked chemicals must be picked up and paid for by June 20, 2006. All we ask is that when you order the chemicals, make sure they are something that you really intend to use. This keeps us from carrying unwanted inventory. If you know what chemicals you will be using this year, then stop by or give us a call. We will also be offering a booking for fall chemicals at a later date.

Thank you for your patronage this past year. We look forward to working with you now and in the future.

The Feed Mill

By Troy Rankin

(There is no story for this February - March 2006 issue)

The credit puzzle —

By Carolyn A. Richardson, Credit Manager

This is ninth in a series of articles regarding the Credit Puzzle of your relationship to *your Co-op*. It is important to be clear in your planning and financial procedures each year. To get the best out of all the resources that are available, you must communicate effectively with *your Co-op* as well as with your financial institutions. Complete agreement is not necessarily going to be possible; but open communications between *you* and *your Co-op*, and *your* financial input sources, will make this part of *your* agricultural endeavors much smoother.

Puzzle Piece No. 9

Financial planning is an ongoing process which is an important part of the agricultural scene. Both consumers and producers of agricultural products utilize financing in their agricultural endeavors. The type and scope of financing may vary widely depending upon individual circumstances.

The loop of communications should include the producer/consumer, the financial institution, and *your Co-op*. The many financial institutions each have their regulations and rules to which they must adhere to complete the financing process. The producer/consumer must take into account these many rules and regulations and adjust their timing to fit the schedule of not only their own needs but also the specials and product availability at *their Co-op*. *Your Co-op* credit manager, general manager, and the different department heads are ready and very willing to help you make sure that you as a producer/consumer have an opportunity to take advantage of the specials which are offered throughout the seasons. *Your Co-op* also offers pre-season and off-season specials which can be a great advantage if you book them early. Not only do you get great savings but you have one less thing to worry about when it comes time to use *your Co-op's* great products.

Making every bit of financing fit properly into *your* schedule takes a great deal of planning on *your* part. If you are going to be experiencing a difference in your payments on *your Co-op* account because of this financing planning, it is a good idea to let either the general manager or your credit manager know as soon as possible. Only through thorough communication efforts can we help *you* to prosper in *your* efforts to make a profit in the very competitive agricultural market.

Fuel and lubricant news

By Billy Wayne Hines

Gas from the gas man:

Wow! What a mild winter we have had. We surely do wish there was some moisture to go with it. During the winter months with spring and summer just around the corner, we have been repairing equipment and getting ready for the busy time of the year. Also, it is the time of year we attend safety meetings and implement what we learn here at the Co-op.

Being involved with the fuel department, I want to talk about customer safety while fueling vehicles. There have been increasing numbers of flash fires at the pumps each year. These fires usually occur while fueling vehicles and appear to be caused by static electricity in dry conditions. I don't want to create a panic because fueling fires are low in number, only about like being struck by lightning, but they do happen and the number is on the increase.

How, where, and why do these fires happen? It appears they are the result of the reformulation of gasoline and tires, and the fact that many people wear rubber-soled shoes. In many of the cases reported, people became charged through friction in the vehicle. With that in mind, 78% of the fires occurred when the fueller re-entered the vehicle during the fueling process, then touched the nozzle after leaving the vehicle. Out of 150 cases, almost all were women. The main reason being that each re-entered the vehicle. Why not more men? Most men do not return to the vehicle after the fueling process begins. Of the states reporting fueling fires, Colorado, Kansas, Missouri, Nebraska, Oklahoma, and Texas were in the top-ten list. The incidents varied in each state as to the vehicles and stations involved. The common element was almost always static electricity.

Here are some safety guidelines to follow while fueling your vehicle:

- § Turn off the engine;
- § Do not smoke, light matches, or lighters;
- § Use only the fueling trigger latch provided;
- § Do not re-enter your vehicle while fueling. If you do, always discharge the static by touching the metal fuel dispenser or your car away from the nozzle **WITH A BARE HAND**;
- § Most important — if a fire occurs, **DO NOT** remove the nozzle. **ALERT** the attendant, or at an unattended location, push the emergency shut-down button to shut the pump off. In most cases, the fire will dissipate because of the lack of fumes;
- § Remember, be safe out there.

As spring arrives, **be looking for details on our Early Oil Booking Program**. See ya!

Elkhart Co-op college scholarships

Your Elkhart Co-op will be offering college scholarships to seniors of area high schools again this year. The high school councilors at Elkhart, Rolla, Yarbrough, Keyes, and Walsh. have the information about the scholarship program and application forms. All applications are due April 17, 2006. Meet the scholarship recipients for the Class of 2005.

PIC

Eric Haar

Son of Bill and Rhonda Harr
Attending Oklahoma State University
Major: Engineering

PIC

Clayton Thrall

Son of Dennis and Rhonda Thrall
Attending Oklahoma Panhandle State University
Major: Undecided

PIC

Brandi Alton

Daughter of Tom and Mary Alton
Attending Northwestern Oklahoma State University
Major: Sociology
Minor: Animal Science

PIC

Katie Crews

Daughter of Kent and Debbie Crews
Attending Oklahoma State University
Major: Athletic Training

PIC

Brette Forinash

Daughter of Delbert and Mary Forinash
Attending University of Oklahoma
Major: Computer and Electrical Engineering

From Dermot

By Ron Honig

Dermot residents, along with others in extreme Southwest Kansas, are enduring the long, dry winter and keeping an eye on the condition of the wheat crop. Even though it's time to be top-dressing wheat and spraying mustards, caution prevails as to how much to invest in the wheat crop until we see some moisture.

Elkhart Co-op, once again, has a top-dressing program available this spring. We are offering a dollar per acre discount for top-dressing applications through February, and an extended billing time. Popular and effective chemical treatments for controlling winter annuals usually include Ally XP and 2,4D, Finesse, or Rave (Amber and Banvel), depending on your cropping rotations.

The price of anhydrous ammonia has made some favorable downward moves this winter and remains your least expensive source of nitrogen for spring crops. We have a ready supply on hand to meet your needs this spring.

Currently, we are shipping milo out of Dermot and performing winter maintenance around the facilities. The cold mornings have kept the coffee table at Dermot crowded and "informative." We enjoy having our customers drop by to see us, even just to warm up.

We have a supply of salt, minerals, and cattle protein products on hand as well as a selection of pickup tires to meet your needs. As always, let us know if there is a product you need and we will try to provide it. Carolyn and I wish you a safe winter season.

From Eva

By Ruth Sipes

(there is no story for this February - March 2006 issue)

From Feterita

By Servando Baeza

As I look a round, I see a lot of wheat being watered. Everyone is hoping for some rain as we look ahead to our spring planting season. We have been moving some anhydrous ammonia and hope to move some more.

The corn pile is being picked up and the operation seems to be going smoothly and fast. It looks like we'll have the job finished by the second week of February.

We are having to let our customers know that the Feterita branch will no longer have fuel available by the end of February. We regret the inconvenience that may bring.

Thanks for your business. It is appreciated.

From Keyes

By Chris Townsley

As we begin the month of February, the dust continues to blow without any sign of moisture. The wheat is in desperate need of moisture before the strong winds we usually have turn this area into the dust bowl again. There has been very little to no farming done so far this year. Although the outlook isn't good, keep in mind our top-dress special is underway, making the cost of application \$1.00 per acre less or \$2.25 an acre. Looking ahead to spraying season, we have our chemical prices discounted for the booking programs through the month of March. We are doing the booking program a little differently this year. Instead of paying for all the chemicals in April, you will be billed as you pick them up. Any chemicals not picked up by June will then be billed out together. If you have any questions, or to book chemicals, please call us or stop by.

Elevator activity at our location is beginning to pick up. We got our milo picked up and hauled into the elevator before the two days of horrible wind at the first of the month. With the absence of moisture, it was a good year for storing grain on the ground. Most of our grain pile came up in good shape as far as quality is concerned. We have been moving a little milo out with more contracted and waiting to be trucked out. We are working on moving wheat out by truck as well. As this newsletter is being prepared, our elevator is nearly full with wheat, milo, corn, and sunflowers.

The end of February will bring our fiscal year to an end. We will be busy taking inventory in every department to prepare for the auditors. Here at the Keyes branch, we would like to thank every one of our customers for their business over the past year. Whether you bought merchandise, chemicals, fertilizer, fuel, or hauled grain to us, we want you to know your business is greatly appreciated. Please feel free to offer any suggestions you might have to improve your Co-op. We look forward to serving you again in the coming year.

Reminder: We will be holding our Customer Appreciation meal here at Keyes in the coming weeks. Be sure to watch for the date and plan on attending and eating lunch with us.

From Richfield

By David Bashford

By the end of January, we had all of our milo picked up off the ground. It came into the elevator in pretty good shape and without an odor.

I was looking back at some of the newsletters from past years at this time of the year. Apparently it is usually dry like it is now. Maybe our next rain or snow is just around the corner.

We are having our oil booking and chemical booking again. Stop in and let us know what your needs will be for the next year.

Our Annual Growers' Meeting will be on February 15 at 12:00 p.m. at the Richfield Fellowship Hall. Hopefully, this will be printed in time for you to see it.

Our fiscal year ends February 28. I would like to thank everyone for their business this past year. We hope we can serve your needs in the months ahead.

Rolla News

By Richard Carter

We have been busy shipping wheat out over the last few months. Both our big tanks will be empty for harvest.

A little fertilizer has begun to move. If we could just get some moisture soon, then that activity will pick up. We have a top-dressing program and booking of chemicals going on. Stop by and let us work with you. If we don't have the chemicals you need on hand in Rolla, we can usually have them for you later that day or the next day. We have a selection of plastic fittings on hand to meet your needs.

Your business is appreciated!!

The Rolla Station

By Charlotte Kallenbach

Winter must be coming to a close at the end of January this year. I saw the geese go north but, once again, no moisture. Do we have any volunteers for rain dances?

Unleaded plus or E-10 gasoline is now available at pumps 1, 2, and 5. We did away with premium unleaded gasoline. Be sure to grab the correct nozzle when you fill your vehicle.

Our Appreciation Day will be on March 17. We would like to see one and all at the event. In past years we have had some late-winter storms so it's not too late to check your automobiles for safety. Tires are very important. If they don't have the right air pressure, you could have a blowout and cause a roll over. Uneven wear can also result and tires will wear out sooner than they should. There is more to it than just getting in your car, turning the key, and putting it in gear. There are fluids to be checked before you start your vehicle, hoses to be looked at to see if there are any leaks, belts to be inspected for cracks, etc. Let us know if we can be of service.

Fuel prices are still bouncing up and down. Don't expect them to go down much. It is more likely that they will go up and we'll see high prices continue.

We appreciate your business. If we can be of some assistance, please don't hesitate to give us a ring.