

Manager's comments

By Larry Dunn

It's the first week of June when this is written and we still have received very little beneficial moisture. However, the thermometer tells me that we are already in summer. That temperature shows that we should be in wheat harvest and, no doubt, we will be receiving wheat at all locations throughout the trade area when you receive this newsletter. Please be aware that we need to have division information on all grain as soon as possible. Landowners will be wanting to sell grain and we cannot issue a check for their grain when we do not know the amount of grain each landlord should receive.

Because of the apparent small wheat crop and, at this time, not a very bright outlook for fall crops, we here at your Elkhart Co-op will be doing our best to be a more lean and efficient company. Several options are being considered and I am sure that not all of them will be popular. We want to provide all the services that you have come to expect and at the same time, we must make each location and each department at those locations profitable. Seasonal operations on some items and possibly exiting some areas of our business as it stands today are being studied.

Each and every one of you is experiencing some of the same problems that your Co-op is facing — lack of production. It is very hard to make a grain elevator a profitable operation if there is no grain to put through the facility. We feel that we are competitive in all of the products that we handle even though they may not be priced the lowest. There are some services that we have provided for years and everyone has been accustomed to having, but these must be paid for in some way. Please remember, we want to provide all the services that are requested, but these services come at a cost. As we all know, the cost of doing business continues to increase and we will all have to become leaner to stay in business. We must keep our accounts current. In some cases, we are having to pay for a product when it is loaded for shipment from the supplier's warehouse. At the same time, we allow convenience credit which can be up to 60 days before the account is due. We will be getting a better handle on our accounts. If you have a question about your account billing or a mistake on a billing, please contact us immediately while the transaction is fresh on everyone's mind. It's easier to fix a problem when it happens than when we seem to remember something happening two or three months ago.

Have a safe harvest. Please take care not to become dehydrated in the heat.

Roger 'Rocky' Cobb

Please keep the family of Roger 'Rocky' Cobb in your thoughts. Rocky was a valuable member of the Elkhart Coop Equity Exchange employee family and he will be missed.

Dalen Dray Bellomy

Congratulations to Katrina and Michael Bellomy on the addition of their second child, Dalen Dray Bellomy.

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

Well, here it is the first of June and we are looking for the first loads of wheat to roll across the scales. Wheat progress reports came out last week and they are as follows: Kansas last week was 21% good to excellent with last year at 41% good to excellent. Oklahoma was 5% good to excellent with last year 34% good to excellent. Colorado was 14% good to excellent with last year at 47% good to excellent. Have you ever read some of these reports and thought that the numbers were skewed. Well folks, I have driven to and from far northeast Kansas and to and from the Flinthills in the last few weeks and I believe this report to be fairly accurate. Quantity will be down; but, hopefully, the quality of wheat will be good. I have talked with managers from Sublette, Kiowa, Minneola, and Manhattan, Kansas and their sentiments are the same. We'll just have to see where this market goes when the combines are rolling across Kansas.

Within the past two weeks, we have installed the Agris One Way point-of-scale at the Elkhart scale office. This system will enable us to automatically enter all inbound and outbound grain scale tickets at the time the trucks pull over the scales; therefore, reducing the time spent the next day entering grain tickets. The bugs are being worked out and after Nancy (a *very patient lady*) teaches Barry and others how to use it, we may see this program at other locations. I would like to thank Nancy, Julie, and Joan for the work they have done to get this program working.

We're adding open orders daily for new-crop corn and milo for 06 and 07 whether it be a forward contract, basis contract, or hedge-to-arrive contract. Most 07 contracts — wheat, corn, or milo — have been hedge-to-arrive. What would happen if we had some good rain and a little bit of good fortune this summer and fall? With new-crop milo around \$2.40 – \$2.50 recently, and new-crop corn around \$2.80 – \$2.90 and if we're lucky enough to have a 45¢ to 48¢ LDP, we may see \$2.80 – \$2.90 milo and \$3.25 – \$3.35 corn. Stay tuned to what these markets do or give us a call.

Remember, just because we're 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 answers, we'll find someone who does.

Have a safe and successful harvest.

Crop production notes

By David Smith

Here we are a few days away from wheat harvest as this is written. Unfortunately, the dryland wheat is generally in poor condition. The main factor has been the dry weather. The hot, dry, windy conditions in mid April prevented the wheat from recovering from the season-long drought. Our dryland wheat is very short and the heads are small. The tillers have been sloughed off because of stress so the stands are thinner than normal. In addition, there has been significant freeze injury in some areas caused by the cold temperatures in mid April. Wheat streak mosaic is also a widespread problem. The cooler weather in late April and May helped keep most of the wheat alive, but yield potential has already been reduced significantly.

There have already been some wheat fields abandoned. I foresee a lot of weed pressure due to the thin stands and the few rains we have received. I would like to share a survey from Syngenta Chemical Company and the University of Nebraska on fertilizer and water loss due to weeds. This may help you make some decisions as to whether or not to spray your summer fallow.

The University of Nebraska reports weeds are often less effective than corn at using nutrients. That means it requires more fertilizer for some weeds to grow than for corn.

Pounds of nutrients required to produce equal amounts of dry matter*

	Nitrogen	Phosphorus
Plant	pounds	
Corn	10.1	2.2
Common lambsquarters	16.6	3.4
Mustard	21.6	6.0
Common ragweed	14.6	3.0
Redroot pigweed	11.2	3.0

Weeds require significant water for growth. Allowing weeds to compete with crops early in the season can dramatically reduce available soil moisture and place crops under stress.

Some weeds require more water for growth than corn*

Plant	Pounds of water used per pound of dry matter produced
Corn	349
Common lambsquarters	660
Redroot pigweed	298
Mustard	2,400
Common sunflower	744

*Source: *Weeds are Using My Water and Stealing My Fuel*. By Robert N. Klein and Mark L. Bernards, Extension Weed Specialist and Extension Cropping Systems Specialist, University of Nebraska.

If we can be of help in making some of these decisions, please don't hesitate to call. We are always glad to work with you.

This is a reminder that there is still time to plant grain and forage sorghums. Seed supplies are available at this time. We wish everyone a safe harvest!

The Feed Mill

By Troy Rankin

These hot temperatures make it feel like summer is already here! Along with the lack of moisture, the high temperatures are not doing the grass in the pastures any favors. Many of our producers are continuing to supplement their herds with dry hay and protein supplements as a way to regain some of the body condition that was lost last winter. The grass in pastures is unable to meet the needs of their cows at this time.

Your local Co-op will keep these products as well as many others on hand to meet your needs. Please give us a call if we can be of service.

The credit puzzle —

By Carolyn A. Richardson, Credit Manager

(No credit puzzle for this June - July 2006 issue.)

Fuel and lubricant news

By Billy Wayne Hines

Gas from the gas man:

ULSD— What is it? Ultra Low Sulfur Diesel was mandated through the Clean Air Act enacted by Congress and requires the current sulfur content of diesel fuel (500 parts per million) be reduced to 15 ppm.

ULSD— What do we know about it? There are far more questions than answers as it relates to ULSD. However, we continue to learn more about the physical product itself and the regulations that will accompany it. Here is what we know now:

- § All 2007 on-road diesel engines will be made to run on ULSD (15 ppm).
- § ULSD will have nominally higher cetane level, a lower lubricity level (HFRP), is clear, and will have a different smell vs. Low Sulfur Diesel.
- § Our Laurel refinery is capable of producing ULSD today!
- § ULSD came to the marketplace June 1, 2006.

Fuel Bulletin

Cenex has informed us that two refineries in our area will be doing a maintenance turnaround and will be shutting down to do repairs. This work was originally scheduled to be done last October but was delayed due to the hurricanes. The McPherson refinery will be down in July and Valero's Sherrin/McKee refinery in Sunray, Texas will be down in August. This situation might make fuel supplies a little tight. It is our recommendation that consumers begin to top off their storage tanks by the last of June. If you have any questions, please call the Elkhart Co-op Fuel Department at 620-697-2135.

Featured Lubricants

We have some good products that are in old style packages that we would like to clear out of our warehouse. While supplies last, they are priced as follows:

Cenex Superlube 518- 40w	2x2.5	\$30.00
Cenex Superlube 518- 40w	case/qts	\$21.00
Cenex Irriflex 20w 40	5 gal/bucket	\$30.00
Double Circle 10w	5 gal/bucket	\$30.00
Double Circle 30w	55 gal/drum	\$299.99
Double Circle 40w	55 gal/drum	\$299.99
Cenex Superlube 10w30	case/qts	\$21.00

From Dermot

By Carolyn Milburn and Ron Honig

Here it is almost harvest and before we know it, it will be here and gone and time to plant wheat again. We are hoping for some surprises like we had last year and have a better harvest than is anticipated.

We got some rain last night. Not much here at the Co-op but three miles east they had an inch and a half. It was very nice to have some moisture.

We have finished shipping corn. The bins are being cleaned and sprayed so we are ready for wheat harvest when it is time.

With the moisture, there are a few farmers ready to plant some feed. If we can help you with seed or chemicals, please let us know. Feed seed may be in high demand so please let us know as soon as possible so we can get the kind of seed you want.

The teapot is going for the summer so come by and have a glass. We hope everyone has a safe harvest and a good summer.

In closing, Dermot is receiving its first load of wheat for this harvest. The moisture was 12.37. W & S Breeding were the farmers who brought in the first load for this year.

Take care and watch out for the little ones running around. Thank you for doing business with your Co-op.

From Eva

By Ruth Sipes

We are still trying to get rid of sunflowers. Wheat harvest is getting close. It doesn't look like we will have much of a wheat harvest because of the drought. This past week, we received a total of one inch in two rains.

We try to stock all types of feed, oil, and chemicals. If I don't have what you need, I can bring it down from Elkhart the next day. Just call and let me know what you need.

We appreciate all of your business. This Co-op belongs to all of you so try to support your local Co-op.

I hope everyone has a safe harvest and summer.

From Feterita

By Servando Baeza

Unfortunately, it looks like we are up against another dry year. Wheat harvest is upon us and by the time you receive this newsletter, we will likely be well into it. It is going to be a short wheat harvest as the crop around our area looks to be in poor condition. Some of it will not even be cut.

From what I see, there is a lot of dryland corn with good stands. We've been staying busy with side dressing corn the last two weeks. We hope that will continue for some time.

I would like to remind everyone that we no longer have fuel available at this location. However, we can deliver fuel to the farm, so give us a call if we can help you with anything. Have a safe harvest and a happy Fourth of July holiday!

From Keyes

By Chris Townsley

I would like to begin this month by sending our sincere thoughts and prayers to the family of Rocky Cobb. Rocky was a dedicated coworker who will be greatly missed.

It is hard to believe wheat harvest is once again upon us. The summer is flying by already. By the time this is printed, harvest should be underway at most locations. Although the yields are pretty dismal in our area, the price should help matters a little — if you are lucky enough to have anything to bring to the elevator. Wheat prices are running about \$1.50 higher than this time last year. Unfortunately, wheat prices are not the only prices on the rise, so are the fuel prices. Despite the rising fuel costs, Presley has been staying very busy on the fuel truck, so please keep that in mind when ordering fuel.

Again, I would like to remind everyone to please check the name and field description on the tickets to help our bookkeepers get your tickets posted appropriately. Elevator activity has been slow of late with only one 20,000-bushel milo contract being loaded at this time. Other than that, we have been busy getting the elevator cleaned and prepared for harvest.

Chemical sales have picked up with the recent moisture. Even though the rainfall was spotted, we were extremely grateful in the areas where good amounts were received. We have been trying to keep a few chemical shuttles on hand here at Keyes to better serve your needs. In the past, we had to order shuttles for the next day.

If you have cattle on grass, the few places where the grass has greened up, we have the minerals they need to help achieve your goals for weight gain.

Have a safe summer!

From Richfield

By David Bashford

Hello from the Richfield Branch. At the time I am writing this, wheat harvest has not started but it should have started before the newsletter is printed.

At this time, we have approximately 560,000 bushels of room at this elevator. I hope this will not be enough room for this harvest.

When storing grain on the farm, the bins should be clean, both inside and around the outside. Weeds and grain on the outside of a bin are an excellent place for bugs to get started. Stop by your local Co-op for grain bin treatment. We have Insector, Malathion dust, or Malathion in a liquid form.

I would like to wish you all a safe harvest and thank you for doing business at your Co-op.

Rolla News

By Richard Carter

Hello from the Rolla branch. It has been a busy start to the summer season. We have been busy painting our anhydrous ammonia nurse tanks, and now we are in the process of painting the dry fertilizer shed. Some corn and milo have been shipped out over the past couple of weeks.

I would like to thank the employees at the Rolla branch for all their hard work. I would also like to thank our patrons for their past business. We look forward to your business in the future. Have a safe summer!

The Rolla Station

By Charlotte Kallenbach

My, my, my, what is August going to be like if it is already this warm now? I surely would not want to walk in this weather. It is a good time to get your vehicle checked over for this long, hot summer. Keeping the maintenance up on your vehicle is like your body; you want to be able to function so you see a doctor when you are ailing and you take vitamins to prevent future sickness. Why not look at your vehicle as your body. We would be glad to check a few items that are important to keep you from having breakdowns along the side of the road.

Let's start with the cooling system. Most recommendations for the radiator are to drain and flush it every two years to perform correctly. We stock flushes at our location and it doesn't take that long to do the flushing.

To keep your car from overheating, the thermostat might need to be looked at and you might need to add more antifreeze. Antifreeze is for cooling in the summer as well as preventing freezing in the winter.

The belts and hoses could have cracks that you are not aware of. You could throw the belt or the hoses could have soft places in them and burst.

The average PSI for your tires is about three pounds lower in summer than in winter because of expansion of air in the tires. You should check the tire pressure at least every other week to prevent blowouts and uneven wear on your tires.

We are still asked if we have 10% Ethanol in our pumps. Pumps number 1, 2, and 5 have this product in them.

What wheat we do have will be harvested in the near future. Please watch carefully for farm vehicles on the roads moving from one field to the next. There are blind spots in their mirrors and they may not see you, but you should be able to see them.

We hope you all have a safe summer. Maybe it will rain. If we may be of any help to you, don't hesitate to give us a call. We will do what we can. Your patronage is appreciated. If it wasn't for you all, we would not be here today.