

# FARMERS COOPERATIVE COMPANY

HINTON • OYENS • AKRON • LE MARS



*"I look forward to serving as your new general manager."*

**Darwin Franzen,  
General Manager**

March 2010

[www.my-coop.com](http://www.my-coop.com)

## Welcome Manager Franzen



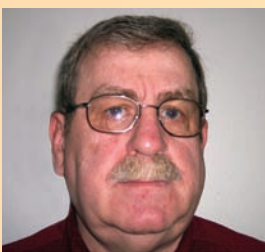
**By Ken Gard  
Board President**

I would like to ask the members and employees of the Farmers Cooperative to join me in

welcoming our new general manager, Darwin Franzen. The Board worked hard during the past several months to locate and interview candidates for this position. We want to thank our associates and friends at Land O'Lakes Business Development Services, under the direction of Danny Jenssen and Lee Ulbjerg, for assisting us in locating Darwin.

As a board, we are pleased in our decision to hire Darwin Franzen, and look forward to a great year at the Farmers Cooperative. We would also like to recognize Bob Honkomp, our Interim Manager, for his excellent service to us over these past months. We thank Bob for digging in, keeping things running smoothly, and setting the stage for a great year.

## Looking Forward to Meeting You



**By Darwin Franzen  
General Manager**

I am looking forward to meeting you and the opportunity of sharing my knowledge and experiences with the members and staff of the Farmers Cooperative Company.

My wife, Lois, and I have lived in Nebraska for most of our lives. Lois is a nurse practitioner and has full intentions of continuing her career in the medical field in the Siouxland area. We have four grown children: Sarah and her husband live in Denver, Colorado; David and his wife live in Axtell, Nebraska; our foster son, Ryan, and his wife live in Lincoln; as does our daughter, Anne, and her husband. We currently have two grandchildren with two more on the way. In our free time, Lois and I enjoy trips to the mountains where I can practice my fly

fishing. I am a recreational pilot, so aviation is another hobby of mine. Lois' primary hobby is spoiling our grandkids.

I have spent most of my adult life associated with cooperatives. For 17 years I was involved in production agriculture and served as a member director of my local cooperative in Nebraska. At that point I made a career change and began to work for coops. I served several Northeast Nebraska Cooperatives in the grain divisions as well as serving as a regional grain merchandiser for Cenex Harvest States in Lincoln. I have more than 12 years of general management experience, most of them with Cooperative Supply in Dodge, Nebraska. I look forward to serving as your new general manager.

# Feed Department News



**By Joe Clark**  
Feed Department Manager  
jclark@my-coop.com

Thanks to all of you who attended our Winter Cow/Calf meetings in late February. The weather cooperated this year and we had a great turn out! We had a fantastic line up of speakers who presented excellent information to improve your Cow/Calf production.



We introduced a new Tri-States Best mineral at the meeting called TSB 12-9 BREEDER AVAILA®- 4. ZinPro® is the maker of the performance mineral called AVAILA-4. Mark Gerber, from ZinPro, did a

fantastic job of introducing the new product. AVAILA-4 is a combination of four organic trace minerals, zinc, copper, manganese and cobalt, all of which are vital to the conception, gestation and growth of the calf. The many benefits of using AVAILA-4 include tighter calving intervals, improved conception rates for cows, and improved foot health for bulls. If you're interested, be sure to ask someone in the Feed Department to give you a run down on all of the benefits. The TSB 12-9 BREEDER AVAILA 4 is available plain or can be mixed with 5600 grams per ton of Aureomycin®.

Aureomycin® is made by Alpharma. Darren Klein, our Alpharma representative, presented an overview of the benefits of Aureomycin in your cattle mineral. At 5600 grams per ton, it is approved, by the FDA, to treat anaplasmosis, a disease that can rob your cow of nutrients and dramatically reduce her performance. In a multi-year trial, Aureomycin at the approved levels increased weaning weights by an impressive 21 pounds per calf. But this is just one of the many benefits of using Aureomycin and you can visit with our Feed Department for a complete list of benefits.



We announced, and are still offering, a great deal on the new TSB 12-9 BREEDER mineral. The "buy 20 bags and get one free" offer runs through March 31st, 2010.

Larry Gorsuch, of Land O' Lakes Purina Feed, played an integral part in bringing our Tri-States Best, ZinPro and Alpharma representatives together. The formulation for the TSB product line is done by the nutritionists and formulation specialists from Land O' Lakes Purina Feed. Their formulation ensures that we are using high quality ingredients and maximizing the performance of your livestock. Later in this article, I have information regarding a Dedication to Quality award presented to our cooperative by Land O' Lakes.



Be sure to check with your salesman about the calf creep bookings. Last year, more than 98% of the calf creep booked was with the Aureo/Bovatec®

combination. We heard a lot of great things about this product and we were very happy to be able to bring it to you. Among the many favorable comments we heard were: "the biggest calves I have ever weaned" and "hardly any treats this year." The product is available again this year and you can check with Leonard, Paul or Darwyn to set up your calf creep bookings.

## Little Victories

Typically, this section of the newsletter is meant to acknowledge extraordinary service and/or accomplishments by coop personnel. However, this time I'd like to recognize Roger Trimble, not for something he did, but for something he didn't do. This story actually goes back a few years. Roger had found some finishing sites for a new customer, and after feeding these sites for short period of time, the customer gave the business to a competing feed company. Roger and I were both very upset with the whole situation. We had found the business and they had given it away to a competitor. But rather than tell the customer and their management things we would all liked to have said, Roger showed impeccable character. He held his temper and told them that we would still be here for them if the competing feed company didn't work out. Roger acted with character and professionalism. Sometime later, the customer did come back, and is actually bringing more business our way. They found out what it was truly like to do business with the "other" company. They came to realize that Roger stood for integrity and honesty. He told them the truth, rather than telling them "what they wanted to hear", even if the truth was something he knew they didn't want to hear. Roger is being acknowledged for this "Little Victory" in providing "Excellent Service." Thanks Rog!



**Roger Trimble**

## Quality Feed

Something that is very important to our customers is the quality of their feed. Farmers Cooperative Company is a Licensed Feed Manufacturer for Land O'Lakes® Purina Feed. Land O'Lakes has a "Dedication to Quality" program with awards to those feed manufacturers that meet certain standards of excellence. To earn this award, your coop personnel must comply with a very rigorous and detailed Quality Assurance Program and pass a 100 point audit each year. I am very proud to announce to our members that all three mills - Hinton, Oyens and Akron - have earned this award for 2009. The Land O'Lakes announcement of our Dedication to Quality award is following.

(continued on page 4)



# Meet Your New Board Members



**Bill Loutsch**

Bill and his wife, Vonnie, have three grown children and one grandchild. Their two daughters are married. Rebecca lives in Yankton, where she teaches middle school history, and Megan lives in Paulina, where she teaches high school English. Megan has one child with one on the way. Their son, James, is completing his studies at SDSU in Brookings and will graduate in June with a degree in history.

Bill and his two brothers, Jerry and Mark, farm near Oyens. They grow corn and soybeans and raise cattle, sheep and hogs on the family farm. Bill attended a farrow-to-finish program at Western Iowa Tech in the late 70's. Bill is serving his second term as a director for the Farmers Cooperative and is passionate about playing a role in the farming industry. He especially wants to make sure that there is always a place for the small producer in the ag arena. According to Bill, "I'm looking forward to serving on the board again and to keeping our cooperative moving forward."



**Chuck Vondrak**

Chuck and his wife, Karri, live on a farm near Hinton. They have three children attending Hinton Community Schools: Kylie (16), CJ (13), and Thomas (10). Karri works as a director at Allied Solutions in Sioux City. According to Chuck, "When the opportunity presented itself to farm, I just knew that it was what I wanted to do." He has been farming row crops and alfalfa for the past fifteen years. As for his new role as a director on the cooperative's board, Chuck said, "I plan to encourage continued improvements to our grain facilities and to make sure that we are always looking toward the future."



**Eldon Heeren**

Eldon is a lifelong farmer, having grown up on a farm and starting his own farm operation in the Akron area in 1962. Eldon and his wife, Marcene, have three grown children and seven grandchildren, and love life on the farm. They grow corn, soybeans and alfalfa, and enjoy their large variety of animals. In addition to their stock herd of cattle, they have 10 miniature burrows, turkeys, geese, ducks, and one particularly spoiled long-horned cow who the locals know as Bernice. She is famous for coming when called and leading the herd anytime his cattle need to be moved. Many area children have enjoyed the experience of hand feeding ears of corn to Bernice.

Eldon and Marcene are very active in their church and in the Akron community. Eldon has even served as Santa Clause for many events over the years. He served on the Akron Cooperative board for four years prior to its merger with Hinton, and has served three terms, for a total of nine years, on the Farmers Cooperative Board. Eldon said, "I am looking forward to serving again and hope to make a positive difference."



# Feed Department News (continued)

## Land O'Lakes Purina Feed LLC

### Farmers Cooperative Company Wins Land O'Lakes Purina Feed Dedication to Quality

**HINTON, IA (11-23-09)** – Farmers Cooperative Company, Hinton, Akron & Oyens, Iowa, recently received Land O'Lakes Purina Feed's "Dedication to Quality" award for meeting or exceeding the national feed manufacturer's safety and quality standards. It is the 2nd year that Farmers Cooperative Company has won the award.

As a Feed Licensed Manufacturer (FLM) for the No.1 feed marketer in North America, Farmers Cooperative Company is licensed to manufacture Land O'Lakes Purina Feed branded feed, then market and sell them to their own retail customers in their local trade area. The FLM program is the only one of its kind among animal feed manufacturers in the U.S. The FLM earns the "Dedication to Quality" award by meeting or exceeding FLM Program feed safety, feed quality and feed regulatory requirements and standards.

"As a part of the FLM program, the local feed license manufacturing cooperative location has the opportunity to earn the program's annual 'Dedication to Quality' award by meeting or exceeding the FLM Program requirements," said Steve Smart, Land O'Lakes Purina Feed FLM Program Manager. "Some of the requirements even exceed FDA standards. We're very proud of the great work and commitment our FLMs have to producing the best in animal nutrition."

Land O'Lakes Purina Feed LLC ([www.landolakesinc.com](http://www.landolakesinc.com)) is a national organization serving producers and their families through 4,700 local cooperatives and independent dealerships throughout the United States. The company, in combination with its wholly owned subsidiary Purina Mills, LLC, is North America's leading feed company, providing producers, cooperatives and dealers with an extensive line of animal feed, ingredients and services designed to help agricultural producers, dealers and cooperatives compete in the global marketplace.

**We want to thank everyone involved in the feed department for being so conscientious and all their hard work.**



## Energy Customer News



**By Roger Radke**  
**Energy Department Manager,**  
**Le Mars**  
[rradke@my-coop.com](mailto:rradke@my-coop.com)

### Ampride in Hinton Wins Circle of Pride Award

We are pleased to share the great news that our Ampride Cenex® Fuel and Convenience Store in Hinton has once again won a Circle of Pride Award from Cenex®, the largest member-owned petroleum brand in North America. This award recognizes top Cenex Convenience Stores that have attained outstanding levels of customer service, cleanliness, and appearance. A rating of 98% or higher must be delivered for stores to be considered for the award. The award is based on the assessments of an independent, mystery shopper who evaluates the facility. According to Sue Lang, our Store Manager, "We were thrilled to once again receive the Circle of Pride Award. I'd like to thank our Ampride employees because it takes a great team to consistently offer the level of customer



**Sue Lang**



**Ampride Store**

service required to win this award. I would also like to thank our customers for their support and friendship. We look forward to another successful year of service in 2010!"

Due to the current market conditions, and the lower propane inventories nationwide, we encourage you to think about contracting for propane earlier than we have in the past. Call us at 712-546-6382 for a price quote for the next heating season.

Norm Nielsen will be transitioning from a full time position in dispatch and sales to a part-time position at Farmers Cooperative. Doug Harms will be taking on some of Norm's previous duties. You can call our location at 712-546-6382, or Doug on his cell phone at 712-540-5944.

Spring is fast approaching. Once the thaw starts, roads and farm yards will become quite soft. Because of the possibility of roads being embargoed, we encourage early season fuel fills while the ground is still frozen. An early season fill will ensure that we can give you the service you deserve as a valued customer of Farmers Cooperative. Also, please check your bulk oil tanks and give us a call to get them filled up and ready for spring. We are planning to fill tanks along our route system twice a year - during March and August. Please let us know if you would be interested in this "keep full" option for your oil tank. This will allow us to be more efficient and to pass along a discounted price to you. Don't forget that we also carry a full line of grease.

**Remember, we're here to serve you. We wish you a great spring season!**

# Marketing News



**By Cathy Wedmore**  
**Merchandising Manager**  
[cwedmore@my-coop.com](mailto:cwedmore@my-coop.com)

A delayed planting season might help perk up the market some. There is still a lot of corn in the country that needs to come to town. I hope that most will come in early to avoid some of the damage issues that we've been seeing. We don't want you to wait until summer to move your grain - it may not come out of the bin for you. You need to be checking your bins weekly. As wet and immature as last year's crop was, it doesn't take long to start sprouting. As the corn starts flowing into your local coops, the basis may widen some to slow selling, but good quality corn could have some premiums. Only time will tell. The soybean pipeline has never been full because the late harvests and wet soybeans really slowed down the process. Where can you go with 15+% soybeans? Floyd Valley Grain did its best to help out in the situation, but we all had issues with how to reduce our inventories.

The soybean bunker at Oyens is almost empty, and will be shortly after another processor sale and bean train. All the corn is off the ground in Akron, and we're now on to bigger and better things, the bunker that holds about 675,000 bushel. We will have that picked up in the next 4 to 6 weeks. Hinton has about 100,000 bushel in its bunker, all of which should be gone before this newsletter hits publication. We have a corn train coming by that will help free up space again. We want you to haul your grain to your local coop when you're finally able to get to your bins, and give us a chance to watch your investments!

I feel that if cash corn gets to around \$3.50, you should think about getting small quantities sold. But if it trends up to \$3.65 or \$3.70, you should increase your sales. I wouldn't be looking to hold for \$4 corn. New crop corn is above \$3.50 and not a bad starting point. If it trends to \$3.75, and I think it could, you should be aggressively selling.

As for soybeans, all you hear about is how excellent the crop is in South America. We seem to hear this almost every year, but when it comes to moving those soybeans out, they always seem to have internal issues with transportation and labor. And now, they also have earthquakes that will hinder the process. I still feel that soybeans have some potential late summer as supplies tighten up. If cash flow is an issue, and old crop gets up to \$9.50, get some sold. But you might want to hold a few for August and September when the supply is tight and the price might reach as high as \$12. As for new crop, we just can't get that CBOT to a strong \$9.50 to \$9.75. If new crop trades up to those levels, check basis, and if it is wide, do an HTA to watch for basis to narrow. New crop soybeans should be sold if you can catch something close to \$9 in the acreage and delayed planting worries.

Price Later options may start opening soon as Coops get ground piles and bunkers picked up. Price Later may not be free this year, or for as long of a period of time, as quality is a big concern. Please be sure to check on details as those opportunities arise. Damaged corn will have to be sold upon delivery, because if it didn't keep for you, I doubt we can make it better! Check mid March to see what policy FVG has on Price Later contracts.

I found a quote that I believe expresses the FVG/FCC goal of achieving a team effort between all locations, employees, staff, and management.

**“Individuals play the game, but teams win championships.” - Vince Lombardi**

With that quote in mind, I would like to take this opportunity to thank everyone, employees and truckers, for all the help getting the corn off ground at Akron. It's always a big relief when the last load is up. THANK YOU! Now on to the bunkers!



# Annual Report Highlights and Moving Forward



**By Ed Hartz**  
**Past Board President**

We declared just over \$2 million in total patronage dividends in 2009. The majority of these dividends were from the patronage and equity revolvment payments received from our Regional Cooperatives:

- Cenex Harvest States – our petroleum supplier
- AGP® – our grain sales and soy meal provider
- CoBank – our banker and operating lender
- Cooperative Finance Association and Cooperative Credit Company – our member finance providers
- Land O' Lakes® – our feed supplier

Last September, our board was tasked with finding a new General Manager for the cooperative. We were very fortunate to retain the services of Bob Honkomp to act as our Interim General Manager. Bob has done a wonderful job in seeing us through this latest transition. In October, we hired Danny Jenssen and Lee Uldbjerg, of Land O' Lakes Business Development Services, to assist the board in the process of interviewing and hiring a new General Manager. During our 2009 annual meeting, **Bill Loutsch** was reelected to the Board of Directors. New board members elected were **Eldon Heeren** and **Chuck Vondrak**. As new board members, they were instrumental in the process of selecting Darwin Franzen as our new General Manager.

The board, members, and staff would like to thank **Tim Vondrak** and **Todd Larsen** for their years of service as directors on the FCC board.



# Operations News



**By John Bruening**  
[jbruening@my-coop.com](mailto:jbruening@my-coop.com)

We are all ready to welcome spring and to see these snow banks melt away. The new corn dryer at our Hinton location is up and running. Things are as busy as ever, with a lot of truck and

train grain to ship, feed to process, and agronomy equipment to get ready for spring.

Please keep a close eye on your grain storage at home. Conditions can change quickly in the bins as we move into warmer weather. It may be a good thing to core out those farm bins to improve airflow through the center and keep the grain moving. As outside temperatures rise in the spring, the outer grain layers, as well as the top and bottom of the pile, begin to warm. If the temperature difference between the pile and the outside air is too large, moisture may begin to migrate in the bin and create spoilage problems. Checking grain bins routinely for temperature, moisture and pests prevents major headaches later on.

At the cooperative, we're busy getting all of the equipment ready for spring. Now's a great time to start planning your agronomy needs for the spring season. If you haven't recently visited with the agronomists near your location, please contact them soon to discuss your

fertilizer needs for the upcoming season. Our agronomists attend meetings and workshops throughout the year to keep up with all the changes and latest developments in chemicals, fertilizer and seed. They are here to assist you in developing a program to meet your needs.

### **Farmers Cooperative Agronomists:**

Akron location - Mark Bertram (712) 568-8702  
Hinton location - Ryan Johnson (712) 947-2140  
Oyens location - Jeff Mulder (712) 546-4585

### **Interim Agronomy Manager:**

Mic Thone (712) 947-2105

Your Farmers Cooperative management staff would like to thank all of our employees for their hard work and dedication throughout the long winter. They have been very flexible and willing to help out at the different locations and departments as they were needed. We've witnessed a great staff working together, and know that they will keep up the extra effort and great teamwork!

**We'd also like to thank all of you, our cooperative members and friends, for your business throughout past fall and winter. We look forward to seeing you during the spring season!**

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