

TRAILHEAD

"BRINGING INNOVATION AND SUCCESS TO THE SANDHILLS"

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- Valentine Feed Store..... 402-376-3045
- Toll-Free..... 866-376-3045
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- Bassett – Fuels 402-684-2811

WWW.FARMERSRANCHERSCOOP.COM

2008 NUMBERS ARE GOOD

In a year of negative economic news, I'm pleased to report that Farmers Ranchers has very positive numbers to report. Net income increased from \$1,287,121

in 2007 to \$2,318,727. Sales rose from \$33.3 million to \$41.9 million. The dollars going back to our members in patronage will be \$1,460,000—up from \$830,000 one year ago. Of that amount, \$438,000 will be distributed in direct cash patronage, the remaining amount in equity credits.

All three of our core business areas contributed to our good year.

Agronomy: Although fertilizer tonnage sales were down slightly from 2007, we experienced appreciation on inventory, and custom application acres were up. Another plus: we continue to grow the trucking side of the business, hauling our own fertilizer and feed products into our facilities. Trucking income was up more than 50%.

Energy: Units of energy products sold—refined fuels and propane—dropped some this year, but appreciation in the value of our inventory increased. Our Mr. Tire outlets in Ainsworth and Valentine experienced increases in both sales and income.

Feed: We had another phenomenal year in feed. The addition of the 250-ton pelleter at our feed mill helped boost tonnage by 30%.

Even with this good year behind us, we know challenges lie ahead. The volatility in both the agronomy and energy sectors poses tremendous risks to

MANAGER'S MOMENT

by Keith Erickson
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any agri-business. To better manage that risk, Farmers Ranchers continues to look for efficiencies in our operations. We must also order our customers' fertilizer needs earlier than ever before and continue to depend more on hedging and contracting when it comes to energy—fully realizing that we still may not always hit the mark.

While we can never predict with preciseness where energy or fertilizer prices will head, we are certain of one thing. There's a dedicated team working hard to make good numbers happen at Farmers Ranchers. It's a collective effort of a committed board of directors along with management and employees who care about this cooperative and the people who own it. ■

2008 PATRONAGE REFUND PER UNIT

\$ 0.469	OIL/GL
\$ 0.167	GAS/GL
\$ 0.172	DIESEL/GL
\$ 0.087	PROPANE/GL
\$ 7.24	TIRES/UNIT
\$ 21.53	FERTILIZER/TON
\$ 13.13	VALENTINE FEED/TON
\$ 9.96	SPRINGVIEW FEED/TON
\$ 8.96	AINS WORTH FEED/TON

ACTION YOU CAN TAKE

With volatile input and commodity prices, determining a course of action in farming can be difficult. When it comes to your agronomy needs, Farmers Ranchers won't predict pricing, but we will encourage a two-fold plan. First, we strongly recommend soil sampling. Sampling will keep you from losing money by applying excess fertilizer or losing yield by underestimating your needs. Second, know how much fertilizer you'll need in 2009. The more we know about your needs the better able we are to anticipate volumes and determine respective discounts—working to get you a better price.

Chemical prices have also been unpredictable, making a large jump from 2007. Unlike fertilizer, we do have programs to help lower chemistry costs. Ask us about the Emerald Extras Program, which rewards producers for purchasing product combinations for selected production systems. For example, growers can earn a navigation system, iPod,® or regional travel by purchasing from a selection of herbicides and adjuvants.

Seed news for 2009

Last year, Croplan Genetics® offered a program called "24." When you purchased a certain amount of seed corn, you received \$24 per bag off the price up to a maximum number of

units. This year, there is no maximum. Purchase more than 24 bags and you'll receive \$24 per bag off every bag.

We also carry Asgrow,® Dekalb,® and Mycogen® brand seed. Mycogen has new genetics, and a couple of hybrids look promising. There's also a program to save money on Dow® chemicals applied to Mycogen seed acres. And, don't overlook our volume and prepay discounts, with the next deadline on January 1.

We're excited to announce that this spring we'll be able to apply inoculants, insecticides, and possibly fungicides on your bulk seed. We understand the inconvenience of picking up your chemicals, finding time to apply them to the seed, hoping the chemicals don't gunk up the planter, and finding a safe place to store them. We can now provide that service with our new seed treater.

At Farmers Ranchers, our goal is to help you be more profitable and competitive. In this volatile market, it's important to deal with experts who can help you minimize risks and provide the service you deserve. We're committed to being one of those experts. Contact Kenny, Katie, or Kevin at the Agronomy Center for more details on any of our programs, services, or products. Call 402-387-2323. ■

FIND MORE ON THE WEB

There's a lot going on at Farmers Ranchers. Check out the latest news here, and then go to www.farmersrancherscoop.com for the details.

Agronomy Internship Program

Agronomy is the lifeblood of the Sandhills. That's why Farmers Ranchers is excited to announce our new Agronomy Internship Program. It's one more way to encourage our young people to make a career in agronomy right here in the Sandhills.

Farmers Ranchers will pay tuition for a young person attending an ag-related course at a two-year post-secondary school, or partial tuition at a four-year program. In exchange, the student agrees to work summers at the Agronomy Center, learning the agronomy business up close and personal. After completing their education, the intern may be offered an interview for a full-time position.

Interested in the program? We'll be happy to provide

information on post-secondary programs that specialize in the ag arena. Contact Kenny Eggers at the Agronomy Center at 402-387-2323.

Scholarship News

High school seniors, it's time to apply for "The Future of Agriculture" Scholarship. This is the fourth year Farmers Ranchers will award the scholarship to select students in our territory who will be pursuing agriculture-related degrees. Applications will be due March 1. Talk to Kent Taylor at 402-387-2811 or 800-233-6627.

Think Propane Irrigation Engine

Before you replace an existing stationary irrigation engine or buy an engine for a new irrigation well, check this out. Buy a new propane engine, and you'll get a \$500 rebate. Need more details? Check with Kent Taylor or Wes Luther at 402-387-2811 or 800-233-6627. ■



BEHIND THE SCENES

Whether it's the voice on the phone directing callers, a welcoming face behind the counter, or the thousands of tickets, computer entries, or numbers that must be crunched each day, the Farmers Ranchers Main Office staff is ready and willing.

Controller Linda Schumacher relies on a team of four to help her handle the financial operations of Farmers Ranchers Cooperative. "We deal with several thousand accounts," says Linda, "and each person has their specific task. These gals dig in and make certain it's done right."

Marilyn Brodbeck is first in line to answer the phone or greet customers at the front counter. She also handles accounts payable duties, writing checks to the co-op's many vendors and entering the invoices. Marilyn joined Farmers Ranchers in June after working several years for Ainsworth Vision Care. "I'm a people-person," admits Marilyn, who is also a Mary Kay consultant and married to Rick, who owns a barbershop in Ainsworth. The couple has three children and a grandson.

Customers with equity questions are directed to Jeanie Norton. Jeanie also reconciles bank accounts and completes monthly sales, fuel, and excise tax reports. She joined the co-op in 2007 after working for a CPA firm in Ainsworth. "I've always enjoyed working with numbers," says Jeanie. Her husband, Mike, works for Ainsworth Feedyards. They have a son serving in the Airforce in Kyrgstan, a daughter-in-law serving in Iraq, a daughter who's a high school junior, and a fifth-grade son.

If you purchase refined fuels, Darlene Miller is involved. Darlene became full-time this summer after working part-time for



From left to right: Darlene Miller, Marilyn Brodbeck, Shirley Crone and Jeanie Norton.

four years. She enters information from each ticket the co-op's four fuel drivers write, checking to make certain gallons delivered jive with inventories. "I love what I'm doing," says Darlene, who continues to work part time as a waitress at The Golden Steer in Ainsworth. She and her husband, Bradley—who works for the City of Ainsworth—have four children and two grandchildren.

For 19 years Shirley Crone's tasks at Farmers Ranchers have varied, but today she handles collections, accounts receivable, and propane contracts. She also posts all propane tickets. Collections is the challenging part of the job, she says, although it helps to work with department heads, who generally contact customers who are late with payments. "We then try hard to set up a payment plan that works for the customer," says Shirley. Her husband, Floyd, is retired, and the couple has two sons and five grandchildren.

Together, these four women handle much of the daily detail work that keeps the financial operations of the co-op running smoothly. The work may go unnoticed by the average customer, but not to the co-op's controller. Linda sums it up: "They are an excellent team." ■

OUR NEW AGRONOMIST

Katie Moravec believes in getting to know her customers and discovering what they're looking for in an agronomy service. It's what this new Farmers Ranchers agronomist calls a personal versus the hard-sell approach.

"My goal is to spend about 80% of my time in the country," says Katie, who joined Farmers Ranchers in September. "Farmers today have a lot on their plate, and I want to be out there answering their questions."

A 2003 UNL graduate in Agronomy/Crop Production, she spent six months during college at a wheat breeding research center in Australia. Following graduation she worked at United Farmers Co-op in Polk, NE, and then a co-op in Kansas while her husband, Marty,

completed veterinary school at Kansas State University. When he landed a position at the Ainsworth Veterinary Clinic this June, she soon discovered her possibilities at Farmers Ranchers.

Wanting to spend more time with their year-old daughter Eliesha, Katie was looking for a part-time position. She found it at Farmers Ranchers. She's currently working Mondays, Tuesdays, and Fridays. This spring she'll be on the job until noon Mondays through Fridays.

Originally from Gretna, Katie was introduced to agronomy when her Dad told her that to have a horse she'd have to be responsible for its feed. She decided to raise alfalfa on their five-acre plot. She says she read everything she could about crop production and dealt with the local



cooperative on fertilizer and other inputs. She developed a love of agronomy in the process.

She is excited to bring her enthusiasm to Farmers Ranchers. "So far the biggest response I've had from farmers is appreciation that I'm out in the country," says Katie. "They love the service." ■

DELIVERY THAT MATTERS

by Rocky Sheehan
Feed Division Manager
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At Farmers Ranchers, we take delivery of your feed seriously. You'll see that firsthand this December as we begin delivering cake to your ranches with our new Ledwell paddle wagon trailer.

We also demonstrated our commitment to our feed customers this summer when we put another new feed truck into action. The truck sports a mounted forklift and the ability to haul 10 tons of bagged feed out in the country. The forklift will make delivery much easier for both our customers and delivery drivers. Our goal is simply to serve you better.

What about pricing?

Fall contract prices showed the impact of a slow harvest. Once the corn is out of the fields, contract prices should move downward. It should also have a

positive impact on pricing of the byproducts—DDG and corn gluten—which we utilize in our cake feed.

With concerns about some of the ethanol plants in today's market, we're monitoring the industry closely and purchasing byproducts from plants we know to be financially stable.

New cake product

We've introduced an additional product to our cake line this year in response to producer demand for a harder cube. Our

economical 20% gluten cake has 4% fat and has generated considerable interest.

The new cake is one more in a comprehensive lineup from Farmers Ranchers:

- 32% tri-way cake with 1½% fat
- 22% DDG cake with 6% fat
- 20% cake with 4% fat
- 14% corn cube with 4% fat

All of our products include Vitamin A, and, of course, one of Farmers Ranchers Feed Mill specialties is customizing cakes for producers. We can take any of our products and add antibiotics of your choice. For more information, contact us at 402-387-2810. ■

Feed delivery is stepping up a notch this year with new delivery trucks.



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INSIDE

MEET OUR NEW AGRONOMIST

PAGE 3

