

# Grainland



## PERSPECTIVE

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## GREAT YIELDS ARE GOOD NEWS

By Rick Unrein, CEO

**This newsletter marks a milestone for me, as I have the opportunity to write my first article as CEO of the new Grainland Cooperative. Thanks to good communication and months of advance planning, we enjoyed a smooth transition as Harlan stepped down. That proved to be a good thing, as we launched right into handling a near-record wheat crop. Though we've been scrambling all summer, both our employees and our producers turned in a great performance during wheat harvest.**

It appears we're going to be blessed with bumper crops this year. We took in roughly 7 million bushels of wheat this summer and, barring some extreme conditions, should see a tremendous corn harvest this fall. With that in mind, we've been preparing for the next rush. Since we only have one big piler in the system, we're getting ahead of the game by pre-piling corn. That will enable us to put more of the incoming crop, which could be on the wet side, under roof.

### RISKY BUSINESS

One of the most important roles I have as CEO is to continually come up with new ways to help our customers, and their cooperative, manage risk. Recently, we've sold our first swaps for downside protection on UAN, and we're looking at things like weather derivatives for protection on our piles. We constantly evaluate any and all risk protection tools that could be useful for us and our customers.

We've also been focusing on getting our agronomy staff up to full strength, and I'm excited about two new additions. Both Thom Simpson, our new agronomist, and Blaine Schmidt, our precision ag specialist, bring a broad background of experience to Grainland. You can read more about Thom and Blaine inside this newsletter.

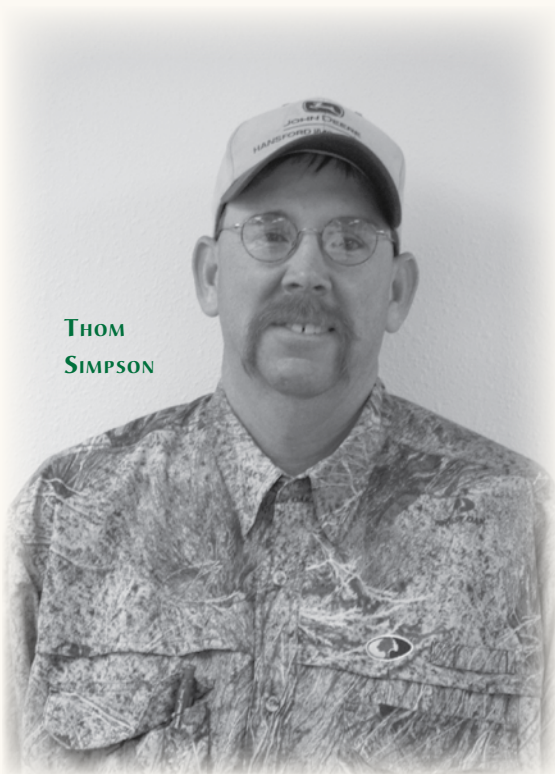
I'll close by thanking our employees and board for all they do. I really enjoy working with our employees, and we're blessed with a lot of good ones. I've always had the opportunity to work with top-notch board members, and our current group is no exception. We continue to come together and gather momentum as an organization, and much of that is due to the efforts of our board and employees. Please check your location for harvest hours, as they will vary due to conditions. Also, please mark your calendars for December 10, that is when we will be planning our expo. More information will be coming.

We at Grainland are wishing you a successful harvest. Please take time to work safely, and thanks for trusting us with your business. ■



# AGRONOMIST SPEAKS FROM EXPERIENCE

From a combine seat to a high-school classroom, Thom Simpson's agricultural experience is wide-ranging and diverse. Now he'll be bringing everything he's learned as an ag teacher and practitioner to his new position as a Grainland agronomist.



THOM  
SIMPSON

"I've run a custom harvest crew from Texas to the Canadian border, managed a farm in Texas, worked with Monsanto's corn breeding and yield trial program in Nebraska, and taught high-school ag for seven years," Thom states. "So part of what I bring to my work at Grainland is a pretty varied ag background."

Thom grew up in the Arkansas Valley near Las Animas, CO. He put in a lot of hours on his uncle's farm before heading off to Oklahoma Panhandle State University, where he earned dual degrees in ag education and agronomy. He'll draw on both degrees as a Grainland agronomist.

"I started here about mid-August, and my job will keep me out in the field a lot of the time looking at crops and addressing any agronomic issues that may come up,"

Thom elaborates. "I'll work closely with the sales staff, checking out fields and providing recommendations. I'm also working on setting up a wheat test plot at the moment."

Though he's only been on staff for a short time, Thom has already met a number of Grainland customers and looks forward to getting to know more in the coming days.

"A big part of my job is to meet our customers and work hard to keep them happy," Thom summarizes. "If you have something you'd like me to take a look at, you can call me directly or talk to Cal or Roger. I'm looking forward to work with all of you."

Thom does have one suggestion to make fall easier for everyone. "Please always read and follow label instructions." ■

## KNOWING WHERE YOU ARE WILL GET YOU WHERE YOU'RE GOING

By Scott Kirkwood, Grain Merchandiser

**As a grain producer, it's natural to focus a lot of your attention on the price you're receiving for your crops. From my perspective, however, it's more important for you to concentrate on profit per acre rather than price per bushel. And that requires having a good handle on your cost of production.**

I know I sound like a broken record on this. But no one knows where prices are going. On the other hand, when you know your cost of production, you can figure out where those prices need to be to lock in a profit.

If you want to stay in the market, we have a variety of tools, such as minimum-price contracts, to help you manage market risk. I also want to emphasize the value of our price-later contracts on corn and wheat. The cost for price-later grain is 2.75¢ per bushel per month, as opposed to our 3.5¢ standard storage rate.

### LOOKING AHEAD

Though I know we haven't gotten our corn in the bin yet, I would encourage you to start thinking about new crop corn and wheat opportunities for next year. Now is the time to plan ahead, contract some of your 2010 inputs, and use your crop contracting tools to lock

in a positive return on your investment.

The bottom line is, there are always opportunities out there when you're prepared. The market moves quickly, however, and I've seen many

instances where the market has moved up 5¢, then given back a dime before a producer has heard about it and given us a call. That's why I recommend you give us some target prices and place offers. We watch the markets all the time while you're busy farming. Let us execute your orders while you do other things. ■



## FINANCING MADE EASY

By Rick Cumming, Controller

**When planning for your crop production needs, finding quality inputs is half the battle. Paying for them is the other half. Grainland Cooperative makes it easy to take care of everything with one stop.**

Grainland and Cooperative Finance Association have teamed up to provide input financing programs to our producers for the 2010 crop year. Our input financing program offers very competitive interest rates and credit lines up to \$2 million for qualified producers.

Why go elsewhere when you can get quality crop inputs and convenient financing right at your cooperative? Please stop by our Holyoke main office or call 970-854-2254 for details and an application. ■



## MAKING THE MOST OF PRECISION'S POTENTIAL

By Blaine Schmidt, Precision AG Specialist

**Technology continues to provide ag producers with exciting new opportunities to increase efficiency and productivity. As the new Precision AG Specialist at Grainland Cooperative, I'm looking forward to helping our customers put that technology to work in their operations.**

Since I haven't had the chance to meet many of you yet, let me take this opportunity to introduce myself. I think you'll see how my background makes me a great fit for my new position. I grew up south of Fleming, CO on my family's farm. After graduating from the Northeastern Junior College (NJC) Ag Diesel and Equipment program, I went to work for John Deere in Sterling.

After one summer there, I headed back to NJC, and graduated again in 1989 with an associate's degree in electronic engineering technology. I went to work for a high-tech power conversion company in Ft. Collins, where I worked my way up to engineering associate. That position afforded me the chance to work in project development and production implementation, and to interact with customers around the world.

### AN EASY TRANSITION

So what does this have to do with Precision AG? My work in the exciting and volatile world of high-tech engineering has given me unmatched experience in both the technical and customer relationship aspects of my new position.

The technical field experience will allow me to understand and work with the high-tech electronic precision equipment utilized in combines, planters, and application equipment. My electrical engineering background gives me a thorough understanding of control systems and their associated hardware and software. This will place Grainland in a position to offer services many others may not be able to provide.

The ever-increasing global demand for food and volatile input prices are driving ag producers to reduce production costs and improve

yields and crop quality. The most efficient way to do this is to tap into the new technologies on the market. Where farming and technology meet is where Precision AG at Grainland becomes a valuable resource for the farming community.

One of my goals at Grainland is to develop ways to inform area farmers and producers of new technologies and tactics available in the market. As Precision AG evolves, we will work to expand our capabilities and provide educational opportunities for our producers. I am looking forward to meeting and working with you to help this area's strong agricultural industry reach new heights. ■



**THE GRAINLAND SALES TEAM—READY TO SERVE YOU**  
**FROM L TO R: HAROLD PRINTZ, PETROLEUM; DAN CROCKETT, FARM GRAIN AND SEED; JOHN STARKEBAUM, FERTILIZER, CHEMICAL, AND SEED; DARRELL LEMON, FERTILIZER, CHEMICAL, AND SEED; STEVE EDWARDS, SEED LEADER; THOM SIMPSON, AGRONOMIST; CAL BIRKHOFFER, TEAM LEADER; AND RICK VANDERHEIDEN, FERTILIZER, CHEMICAL, AND SEED.**



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More info to come.



GRAINLAND PERSPECTIVE

OCTOBER 2009

## ANSWERS ELUSIVE IN FERTILIZER MARKET

By Roger Gordon, Agronomy Manager

**As we sit here on the edge of fall harvest, the market is chewing on a USDA report predicting a record corn crop. I expect we'll see grain prices take a hit.**

In my world, we've got manufacturers and vendors who do not want to get caught with any product—they want to sell it as they make it. Retailers are in the same boat, operating hand-to-mouth. So as I've visited with risk management, agronomy, grain, and fertilizer people to get a perspective on the fertilizer situation, the conclusion is that we're at a standoff. Vendors and retailers are waiting for

commitments before they lay in inventory, and producers are waiting to see if prices will fall any lower.



We're going to see fertilizer imports hitting the US shores soon. The reports I read show very few barges on the river and warehouses not full. All the experts say the next 45 days will determine where everything will wind up by year's end. Should the retailer fill up? Should the producer start buying? There's a lot of uncertainty, and while I would love to give you the right answer, I don't know it myself.

### WITH THAT SAID...

Here's what I do know. We're offering fertilizer products that you can purchase on a percentage lockdown basis. And I'm telling folks that if the price looks right on your grain, sell it and purchase fertilizer. Then at least you can put that part of your farming operation to bed.

When you do decide to buy, we can offer you a finance program with some very good terms.

I'll close by welcoming two new members to our Grainland agronomy staff—Thom Simpson and Blaine Schmidt. They both add another dimension to the services we can offer to you as Grainland customers. ■

