

Grainland



PERSPECTIVE

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MAKING CHANGES WITH YOU IN MIND

By Rick Unrein, CEO

I'm hoping this newsletter finds you with your harvest done or nearing completion and that you achieved the results you were hoping for when the crop went in the ground. Every year brings change to our business, and 2009 has been no exception. I want to personally thank you for working with us through the changes we've had to make.

New ways of doing things—like requiring you to use your card to charge at our convenience stores and changing the way some of our contracts are written—are attempts to protect the security of our customers and comply with ever-changing regulations. For inventory protection, we will also be enforcing our policy of billing all fertilizer and chemicals at the end of the month. If the product cannot be re-weighed or splits turned in, the product will be billed 100% to the grower and credits issued when the account has been reconciled. It's not always more convenient, but it is essential we do it this way.

THE GOOD NEWS

Here's a change we think you'll appreciate. We won't be billing out corn drying charges in their entirety in December. Instead, the charges will be deducted from your grain settlement as you sell your corn.

Continuing on a positive note, I'm extremely pleased that Pinnacle, our workers comp insurance provider, has presented its Circle of Safety Award to Grainland Coop. The award recognizes policyholders that have demonstrated outstanding exceptional performance in safety, claims management, loss control, and financial management. Only 44 companies in the entire state received this recognition.

In my view, the award simply emphasizes the fact that improved risk management is the result of many people working together to create a culture of safety. It shows that all of our employees take safety very seriously. There's another nice benefit: It also results in quite a savings in insurance costs for our stockholders.

MY DOOR IS OPEN

As we move from harvesting to pricing, I want to acknowledge that there are always questions about grain pricing. Please remember that we can only price when the markets are open, so it's a good idea to get orders in ahead of time. If you have questions about pricing or any other topic related to Grainland, my door is always open so feel free to visit with me.

Thanks for trusting us with your harvest this fall. Have a great holiday season and enjoy some time with family. ■

STAYING ONE STEP AHEAD

By Casey Gerk, Grainland Board Vice-Chairman

With the rapid pace of change in agriculture, serving on the board of Grainland Coop presents plenty of challenges. The biggest of these may be keeping pace with some of the most innovative and progressive farmers in the nation—our patrons. That's the reason we work hard to maintain a long-range vision and stay in touch with industry innovations.

Fortunately, we have great management and exceptional employees here at Grainland. It's often the contributions of the folks behind the scenes, such as our accounting department, that make it possible for us to do our jobs and keep your cooperative moving forward.

As we look ahead, additional storage is one of the things on our radar. The good crops we've had lately have required us to do quite a bit of commodity shuffling to create room, and that has pointed out a few issues we would like to address. A unit rail loader is also a consideration. Our job is to evaluate all the needs and determine what we can afford to tackle while remaining fiscally responsible to our member-owners.

IT'S ALWAYS INTERESTING

As I complete my 12th year of board service, I will be up for election at the end of the year. In my opinion, we have a great group of individuals on the board, and that has made the years go by quickly. Though each member brings a different perspective and represents their specific territory well, we're also all able to look at the bigger picture.

This year has been a tough one for a lot of folks. We're still determining how this year will wind up from a financial standpoint. Though the effects of the plunge in fertilizer prices are still rippling through the agronomy department, we've taken in some big crops this year. Every year is different, and I guess that's what makes life interesting.

I hope you get your harvest chores wrapped up in time to make it to the Expo on December 10. From the board, thanks to all of you for your business, input, and patience. Remember, it's your coop, so don't hesitate to let us know what you're thinking. ■

ADDITIONAL STORAGE IS ONE OF THE NEEDS THE BOARD IS WORKING TO ADDRESS.



IT'S IN THE BIN, NOW ON TO 2010

By Perry Campbell, Grain Merchandiser

Though it has certainly been a struggle this fall, most of the crops are now out of the fields and safely stored or shipped. It might seem like the perfect time to put your feet up for a bit and take a well-deserved rest. That's not a bad idea. But this is also the time to think about marketing your 2010 crop.



I know that 2008–09 caused a lot of producers to question their marketing decisions. The truth is, forward contracting versus waiting until your crop is in the bin to sell it will put you ahead of the game nine out of 10 years. And 900 is a pretty good batting average.

WEIGH YOUR OPTIONS

A wise farmer told me that we set a price for everything else we sell, but we don't set a price for our commodities. The key to marketing is to figure out what you need to get out of your crop to make the profit you want out of the farming operation. Then determine if that profit level is attainable.

To do that, of course, you need to determine your cost of production. Starting early to lock in some input costs will go a long way toward nailing down those costs. Knowing that, you can lock in profitable grain prices at the same time. Crop insurance is your friend here, as your guaranteed insurance coverage can serve as a guideline for contracting grain.

We offer several different alternatives for marketing your crop, including minimum price, price later, and deferred payment contracts. With the ever-changing market, one of the best tools we offer is the target price contract. Basically, you set the price and we watch the markets while you concentrate on all the other aspects of running your business. One note on target price contracts: Please remember that we can only buy grain when the markets are trading.

This year you also have the option of having your drying charges deducted from your grain settlement as you sell your corn. This could allow for extra dollars to be used to lock in input costs for next year.

By treating your farming operation as a business and your marketing as a business decision, you divorce yourself from some of the emotion tied to your product. I would encourage you to stop in and have a profit talk, rather than a price or basis talk. Profit is, after all, the bottom line. We're always available to discuss your options. ■

MORE THAN GREAT FOOD

By Tina Workman, Manager, Grainland Convenience Stores

If you've visited either of our Grainland Coop convenience stores, located in Haxtun and Holyoke, you probably already know about our great food items. Each store has its specialty—chicken in Holyoke and pizza in Haxtun. But we're focusing on more than food in our stores. We want our stores to be important resources for our community and great places to work for the 20 community members we employ.

That's why I'm proud that both stores received the Cenex® Circle of Pride award this spring. The award is given to locations that maintain high standards of cleanliness, service, and retail excellence. Your coop and our staff work continually to improve our stores and provide a better customer experience. Our next project will be remodeling the bathrooms at the Haxtun store.

NOW, ABOUT THAT FOOD

Getting back to our food, we're always introducing new items to our menu in our stores. We'll be featuring one of our latest, our popcorn chicken with your choice of five flavors, at the Expo on December 10. We'll also have information on other new treats, including our ice cream machine with the flavor burst feature, our new waffle cones, and our slushy floats.

Our great food, plus a fine selection of convenience food items, gifts, and other merchandise, brings in a lot of people. By our count, 25,000 people had walked through our doors in 2009 as of October 31. If you haven't stopped in yet, give us a try. We love to see our regulars, and we also enjoy the chance to meet someone new.

One final note to all those regular charge customers. Please remember that you now need to have your Grainland card with you in order to charge to your account. This was a change we had to make in order to help prevent identity theft and protect the security of all of our customers. We appreciate your understanding.

Thanks for stopping by, and we'll look for you at the Expo. ■

DON'T MISS EXPO DEALS

By Cal Birkhofer, Chemistry Procurement, Sales Team Leader

It's been a challenging year on the chemical side, but thanks to your support and your business we made it through. However, if you have any issues that we've overlooked, please contact me or a sales person.

The Expo on December 10 will be the next big thing for our team. Many of the vendors and distributors we do business with will be there, and you'll have the opportunity to talk to them about the specific products and programs that each offer. Then, of course, we'll combine and fine tune the best they have to offer as we put our programs together.

We'll have some special chemical pricing at the Expo. We're still getting price information from some of our suppliers, so you'll want to be at the Expo to find out exactly how good the deals are.

One new program we're introducing for 2010 is Nutri-Solutions. Similar to soil testing, we collect leaf tissue samples and send them in for a micronutrient analysis. The samples are tested and we receive a report with recommendation on what steps, if any, we need to take to address micronutrient deficiencies. Then we utilize foliar fertilizers to correct the issues.



NEW FACE IN THE FIELD

We've just hired Kit Krause to work out of the Holyoke office. Kit hails from Big Springs, Nebraska, and comes to us with 13 years of experience in the business. I'm really excited about his addition, as he brings our sales team up to full strength.

Our goal is to be on each of your farms in the near future, providing one-on-one individualized service to each of you. Kit's addition makes that goal even more achievable, so expect to see one of us in your yard soon. ■



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PRESORTED
FIRST-CLASS MAIL
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HOLIDAY HOURS

We will close at noon on Dec. 24 and open Monday, Dec. 28. Convenience stores will close at 6 p.m. on Dec. 24 and reopen Saturday, Dec. 26. We will be closed Jan. 1-3. Convenience stores will have normal hours.



GRAINLAND PERSPECTIVE

DECEMBER 2009

TIME TO PULL THE TRIGGER

By Roger Gordon, Agronomy Manager



Within the world of fertilizer, we're seeing some products trying to move up and others flat or moving down. With the late harvest and uncertainty about what kind of a fall application season we'll have, everyone could need product at the same time at some point.

For these reasons, we're recommending you take a serious look at contracting inputs along with your corn. If the product and the price look good, let's get some locked in.

Along the same lines, with fertilizer prices coming back to historical norms, I would encourage you to take a good look at your soil test levels and fertilize to get the most out of the good ground. If prices caused you to mine your soil a bit, now is the time to build fertility levels back up and place your nutrients where they will do you the most good.

December 10 is the Grainland Coop Expo. Our goal is to have the best of the best on display at the Expo and our staff on hand to explain all the services we have to offer. It is well worth your time to pay us a visit at this year's Expo. We'll see you there. ■



Expo 2009

Thursday, December 10, 2009
9:00 a.m. - 3:00 p.m.
Phillips County Event Center
Holyoke, Colorado



Fuel Meeting: 10:30 - 11:30

Grain Marketing Meeting: 1:00 - 2:00



Lunch Served: 11:30 - 1:00

Feed & Mineral Bookings



Pre-paid Fertilizer/Chemical Booking

Tire Sale!



Door Prizes! Drawing at 2:30