

CALENDAR

- December 24 & 25: Closed
- January 16: Sukup Bin Day—Elrosa
- January 17: Open House in Long Prairie
- January 31: 2nd Community Pride Fund Deadline
- February 12: KIKV Farm Show
- February 19: PLC Annual Meeting

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Publication Review: Heidi Schwendemann.

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DIRECTORY

Agronomy
Business Solutions
Energy
Grain Marketing

Cyrus
320-795-2714

Elrosa
320-697-5566

Glenwood
320-634-3028

Hoffman
320-986-2454

Long Prairie
320-732-2149

Lowry
320-283-5143

Park Rapids
218-732-4236

Starbuck
320-239-2226

1-800-808-1626

prairielakescoop.com



Committed to the long term success of our member-owners.



Propane Safety

If you smell propane in your home:

DO get everyone out of the home and away from nearby areas.

DO NOT attempt to find the leak.

DO NOT attempt to repair your appliance or light your pilot light.

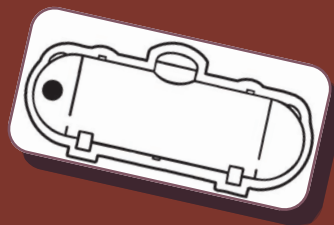
DO NOT turn light switches on or off inside the home.

DO NOT use a telephone inside the home or in nearby areas.

DO NOT light matches anywhere inside or near the home.

DO attempt to shut off the valves at the tank.

DO call both your propane supplier and the fire department for help from a telephone away from the home and nearby area.



<https://www.cenex.com/portal/server.pt/community/4propane/321>

Minimum Ice Thickness

2 " or less STAY OFF!!

4 inches—Ice Fishing

5 inches—snowmobile or ATV

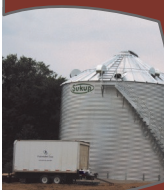
8-12 inches—Car or Small Pickup

12-15 inches—Medium Truck

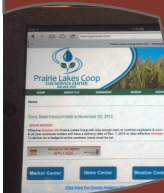
*Never drive on the ice at night

*Avoid pressure ridges and areas with current if you choose to drive on the ice.

* Drive with your windows down and doors partially open to avoid becoming trapped if your car breaks through



○ **SUKUP BIN DAYS**
JANUARY 16—ELROSA



○ **SIGN UP FOR CUSTOMER RESOURCES—CHANCE AT WINNING AN iPad!**



○ **LONG PRAIRIE EXPANSION GRAIN AND ENERGY NEWS**

○ DECEMBER | ○ 2012



Prairie Lakes Coop
CHS SERVICE CENTER

www.prairielakescoop.com

Fortunate in 2012, looking forward to 2013

The early harvest, along with record crop yields, created some logistical issues throughout Prairie Lakes Coop this harvest season. We had to pile extra grain on the ground. Trains were scheduled later because we anticipated to start harvest mid-September. However, we feel very fortunate to have had these problems as most of the Midwest did not have the good quality and abundant crop that we handled. Prairie Lakes Coop procured 10 million bushels of grain in a five week period. To put this in perspective, last year, we handled 14 million bushels in 12 months due to the previous years limited crop. What an accomplishment! I would like to extend my sincere appreciation to our staff and their families for their dedication, teamwork and reliability throughout the season.



Brad Manderschied, General Manager

Much like our 2012 harvest season, Prairie Lakes Coop had another successful financial year ending August 31, 2012. We finished our year with a \$3,777,270 local net bottom line for our division of CHS Inc. We will distribute your patronage checks at our annual meeting on Tuesday, February 19th at the Holiday Inn, Alexandria, MN. The day will begin with informational sessions from industry experts and follow with our annual meeting at noon. Please be sure to mark February 19th on your calendar. We look forward to sharing our resources with you that day. Detailed information will be sent in the upcoming months.

At Prairie Lakes Coop, we are very fortunate to have highly trained industry experts to provide you with the best agronomic, energy, and grain marketing solutions for your operation, as highlighted through this newsletter. I would like to congratulate Tim Guza on receiving his series 3 license entitling him to sell commodities or futures contracts for your risk management needs. Prairie Lakes Coop and myself would like to wish Nathan Kosbau a great career at CHS Inc. as a Regional Precision Ag Manager in Minnesota. Nathan will continue to assist the PLC Precision program and trade territory in his new role.

Every year, Prairie Lakes Coop is challenged with input product supply. The most efficient way to make sure that you, the farmer, have the product you need is to plan with your Prairie Lakes account advisor and order today. Planning allows us to secure product from our suppliers and arrange for shipment and optimal delivery to your farm. The management team, including myself, see the importance of aligning Prairie Lakes Coop's resources to meet your operation's needs. We welcome comments, questions, and ideas for our continued partnership and shared success in the future. Here at Prairie Lakes Coop, we are committed to the long term success of our member-owners.

Prairie Lakes Coop feels very fortunate to be a trusted partner in your operation. We would like to thank you for the support of your business this past year and we wish you and your family a safe and prosperous holiday season.



Bill Frikken

Agronomy Division Manager

bill.frikken@chsinc.com

Looking ahead at 2013 crop year

Despite the drought we experienced during this past growing season, yields throughout the region were considerably better than expected. Average yields across our trade territory for corn ranged from 160-190 bushels per acre and we also had excellent soybeans yields, averaging between 40-50 bushels per acre. Throughout my 40 years being involved in the agriculture industry, I can validate that we do not often get to experience abundant yields along with extraordinarily high commodity prices.

As everyone is aware, harvest went very smoothly and, as a result, our fall agronomy application went smoothly as well. The weather did not hinder our progress this fall. I would like to thank all of our staff for a job well done. Because of the early harvest and fall application season, we are well prepared for the spring season that lies ahead of us and look forward to spring with anticipation. Because of the record high commodity prices, it is extremely important to utilize Prairie Lakes' agronomists and their expert knowledge and resources in planning for the 2013 crop season. Below, I will note a few important reminders to help you maximize yields and ultimately capitalize your investment in your farming operation.

Precision—a Must

Our goal is to stay on the leading edge of precision technology. Prairie Lakes Coop is hiring and training additional staff to enhance our precision program. Through grid sampling, variable rate seed population maps, variable rate fertilizer, and lime applications, precision agronomy has proven to increase your operations per acre profitability. Now is the time to bring in your yield data to have the experts at Prairie Lakes develop your 2013 yield goal maps and make sure you are ready to move forward with spring planting.



Chuck Schlagel

Sales Manager

chuck.schlagel@chsinc.com

Seed supply shortages

Because of increased corn acres, low stocks, and high demand for top varieties, seed supply will be short in 2013. To help provide our producers with improved efficiency and convenient access to the latest seed technologies, Prairie Lakes has invested a considerable amount on resources for bulk seed storage and state of the art seed treating facilities.

Crop Protection prices on the rise

Due to increased transportation costs, regulations, liability, and research, manufacturers are producing only enough crop protection product for the following year. Because of these factors, prices are expected to increase for crop protection products. To help cope with the ever prevalent weed-resistance issues in our territory, it is to your advantage to pre-book chemicals and include both pre- and post-emergent herbicides. Our highly trained sales agronomists will be happy to share their knowledge and apply it to your farming operation.

Fertilizer-secure product and reduce risk

Crop nutrient prices have been stable the last few months. However, because of volatility of supply logistics, high crop prices, transportation, and the unstable world economy, we expect prices to rise in the coming months. To help decrease risks and take advantage of market opportunities, please keep in mind that Prairie Lakes has various prepay and financing programs available for your crop input needs.



Jeremy Drewitz

Precision Ag Specialist

jeremy.drewitz@chsinc.com

Long Prairie Facelift

We apologize to our customers in the Long Prairie area for not having our new facility in operation for harvest. The combination of an earlier than expected harvest and construction delays prevented us from having this facility fully functional for the 2012 harvest season. We expect to have our new state-of-the-art facility in full operation by December 1, 2012. Our new facility will offer the following technologies to increase efficiencies:

- **300,000 bushel storage capacity**-With this increased storage capacity we anticipate considerably reducing any grain delivery hold-ups for our customers.
- **Projected 3.3 minute unload interval**-From the time you arrive at the entrance scale and unload grain, then weigh out on the exit scale it will take approximately 3.3 minutes, a significant improvement from our old location.
- **State-of-the-art automatic grain sampling probe**-Our patrons will no longer need to exit their trucks to have a sample tested. This will also aid in decreasing time spent on unloading trucks.
- **Automatic card readers**-Manual grain tickets will no longer be produced. Each customer will be provided with grain cards that store your account information and enable electronic transfer of data to our grain accounting system. Please note that cards must be set up prior to delivery to ensure accurate record of grain deliveries. Please look for more information on signing up for these cards at our Long Prairie facility open house on January 17th.

All of these improvements were made a reality because we recognize that your time is valuable and we are focused on providing our producer-members with enhanced facilities to meet your growing needs.

Open House

Mark your calendar for **January 17** to join us at our open house for the new grain facility in Long Prairie. Staff will be available to make grain cards, answer energy questions, and lock in any last minute agronomy needs. An invitation will follow.



Community Pride Funds at Work

We proudly announce our first quarter Community Pride recipients:

4-H

- Pope County 4-H, Educational materials for the Project Bowl Program, \$500

Agricultural Education

- BBE FFA, Gary Rodgers, Food Science program materials, \$325

Elementary/Secondary

- 8th Grade Boys Traveling Basketball, Minnewaska, \$100

The Community Pride Funds

Program focuses on five program areas: Elementary and Secondary Education, FFA/Ag Classroom Instruction, 4-H Leadership and Education, High School Senior Scholarships, and Returning Value to Rural America.

Graduating seniors, elementary and secondary schools, 4-H clubs and program coordinators, FFA chapters and Ag classrooms and rural community organizations are encouraged to apply for Community Pride Funds by completing applications.

Applications are available online at www.prairielakescoop.com. Our next grant deadline is January 31, 2013.

For more information, contact the Community Funds Administrator, Brandi Sperr, at 800-808-1626.

Prairie Lakes Grain Department

The Prairie Lakes Coop Grain Department is proud of Tim Guza, Assistant Grain Manager, for his latest achievement. Tim received his Series 3 license which entitles him to sell commodities or futures contracts. Tim is now a broker for CHS Hedging, Inc., located in our Glenwood facility. Please congratulate Tim on his latest achievement the next time you see him! We are pleased to offer our producer-members more diverse grain marketing options along with convenient access to highly trained professionals and expert advice through CHS Hedging and Tim Guza.



Tim Guza
Grain Marketing Assistant Mgr.
tim.guza@chsinc.com

CHS Hedging Inc. is the new name for Country Hedging, Inc., a full-service commodity brokerage providing expert consultation, innovative educational programs and a broad complement of price risk management programs for both commercial agribusinesses and individual producers.

"Our history of putting our customers' best interests first is something we're very proud of and that will never change," explained Scott Cordes, president, Country Hedging. "But we thought it was time to amplify the financial strength and integrity of our parent company, CHS Inc., through our name, as well."

CHS Hedging Inc. remains a wholly owned subsidiary of CHS Inc., a leading global agribusiness owned by farmers, ranchers and cooperatives across the United States. It also retains its own status as a separate cooperative, with the opportunity to disperse patronage to qualifying customer-owners.

"We remain committed to helping our customers grow by guiding them toward the right decisions for the right reasons," Cordes said. "Our name is new, but our experience bringing actionable market intelligence and insight to the table is built on nearly three decades of deep agricultural experience. That will never change."

CHS Hedging Inc., a full-service commodity brokerage subsidiary of CHS Inc., offers expert consultation, innovative educational programs and a broad complement of price risk management programs for both commercial agribusinesses and individual producers. It specializes in focused market intelligence, insight and individualized strategies through offices across the U.S. CHS Hedging Inc. is a Futures Commission Merchant registered with the Commodity Futures Trading Commission (CFTC) and the National Futures Association (NFA).

SOURCE CHS Hedging Inc.
For further information: Lisa Graham-Peterson, +01-651-355-4523, lisa.graham@chsinc.com



Fast and Furious 2012 Harvest Season

Wow, harvest came with a bang this year, and lasted all of approximately five weeks. I have been in the grain industry for quite some time, 48 years to be exact, and never have I seen a harvest quite as outstanding as this one. We experienced a great combination of excellent weather, record-high yields, exceptional quality dry corn, along with extraordinarily high commodity prices. I would like to thank our staff for a job well done during the fall grain season.

Grain everywhere!

Because of the higher than expected yields and early harvest, logistics and storage were our greatest challenges this fall. As evident throughout our locations, it was necessary for Prairie Lakes to pile corn on the ground and store grain in bags. A record number of bushels were handled in a relatively short time period. However, we were able to keep lines short, especially at our Glenwood facility. A record 300 + loads were dumped in one day. We were able to achieve these efficiencies as a result of the many updates including automatic probes and electronic card readers. Despite not having our Long Prairie facility up and running, we dumped a record one million bushels in one month's time at our current facility there. However, we look forward with anticipation to next year with our new Long Prairie facility. We expect to have the Long Prairie location up and running by December 1, 2012. Please see details on our Open House at our Long Prairie facility later in this publication. The grain department would like to thank our patrons for their past patronage and wish you a happy holiday season.

Dan Kvitek
Grain Marketing Division Mgr.
dan.kvitek@chsinc.com



How many bushels do I have remaining on my contract?

How much grain do I have to sell?

What were the average grades on my settlements?

What invoices are due on my crop inputs?

Get these answers and more, instantly.

We're making it easier than ever to access vital information you need to manage your business. Provided as a courtesy to our customers, the "CHS Customer Resources" online feature is a great organizational tool that helps you reconcile your records, make timely decisions, and quickly check historical transactions and harvest results 24/7. For your convenience, information is updated multiple times a day.

Just go to the home page on our website and look for the box that says CHS Customer Resources. Click on "Register here," and reply when you get your verification email.

Be sure to sign up before our annual meeting on February 19, 2013 to be entered into a drawing for an Apple iPad. PLC staff will be available during the trade show at the annual meeting to help patrons sign up for Customer Resources.

For more information contact:

Gene Mueller or Tracy Swenson 1-800-808-1626.

Sign up today to be entered in a drawing for an Apple iPad!!

Another Successful Harvest



Steve Gorder & Shaun Stottler
Energy Department
 1-800-808-1626

The Prairie Lakes Coop Energy Department would like to thank all of our customers for your continued support and partnership. We continue to look for methods to improve not only our business strategy but also ways we can help your operations grow and prosper.

Automated Fuel Delivery concludes another successful Harvest

Our Automated Fuel Delivery system worked well this fall. There were some concerns about supply at the terminals this fall but, because of the strategic alignment we have with CHS, we were able to keep our customers' fuel tanks full and help you complete another successful harvest. Prices were once again fairly volatile during harvest but currently prices have leveled off. One of the benefits of the AFD programs is that it protects against market risk and helps to even prices out, especially during

harvest season, as we are all busy with operation tasks and often do not have time to watch the market. I expect that between now and January 1st we should have some opportunity to contract for the next year.

Glenwood Fueling Site up and running

Prairie Lakes Coop finished its construction of the fueling site at the Glenwood location this fall. This site has an automatic card reader, similar to a truck stop or convenience store, but the purchases get billed directly to your Prairie Lakes Coop account. Therefore, cards must be ordered before a customer can utilize the benefits of this site. It is another great addition to the updated Glenwood facility. We have both clear and dyed diesel, both premium diesels, available at the pumps. Not only is it convenient when you are hauling in grain but also it is important to note that any purchases made at this fueling site will qualify for patronage. If you are interested in learning more about the site please contact Steve or Shaun.

SPCC regulation deadline approaching

Keep in mind that the SPCC plans are scheduled to go into effect May 2013. We have switched out numerous non-compliant fuel tanks and also offer flexible financing arrangements for new tanks. Our staff has been trained on the new SPCC regulations and are willing and able to offer you various informational guidelines in regard to the new SPCC regulations. We look forward to helping you decipher and implement the mandatory changes.

Major propane supply changes ahead for Central MN

Propane supply has been suitable and prices are considerably less than last year. In addition, major changes are on the horizon in regard to how propane will be supplied to our territory. The Cochin Pipeline, located in Benson, MN, is going to be reversed and will no longer carry propane after 2014. The Cochin Pipeline has decided that it is in their best interest to ship fracking fluid from the south to North Dakota and Canadian oil fields. We been procuring propane from the Glenwood site by rail for several years as we manage that facility. Because of our alignment with CHS we are very fortunate to have access to the CHS rail car propane terminal, which should mitigate any future supply issues for our cooperative and your operations.

30,000 gallon Propane tank moved to Long Prairie

We recently placed a 30,000 gallon propane storage tank at the new Long Prairie facility. We are looking forward to providing our member owners' convenient access to meet the needs of their energy demands.

We offer :

- Contracting
- Home Heat
- Prepaying
- Dryer gas
- Payment Plans
- Commercial gas

Reminder:

To help our drivers ensure timely and efficient propane and fuel deliveries, please make an effort to keep the route to your propane tank open and free of snow in the upcoming winter months.



Better Together in 2013



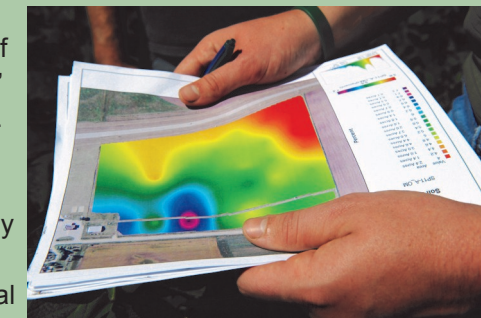
Tracy Swenson
Credit/Finance
 Tracy.swenson@chsinc.com

Prairie Lakes Coop has teamed up with CHS Capital to provide our customers with quick and convenient access to financing inputs purchased through Prairie Lakes Coop. Prairie Lakes offers competitive interest rates and extended loan maturity dates to help you take advantage of our early order discounts and pre-pay cost savings. Because of our strong relationship with CHS Capital, we are able to offer flexible programs tailored to each farming operation. We also are here to help our customers avoid unnecessary and costly late fees and finance charges. Establishing a sufficient line of credit will allow you, in conjunction with your Prairie Lakes Coop account advisor, to make and implement the best possible agronomic decisions

at the ideal stage in the growing season. We have a unique advantage at Prairie Lakes Coop, as we understand not only the financial aspects of your operation but also its agronomic aspects. We recognize the value and importance of both to ensure your success. As we look to the 2013 crop year, we again expect to see high yields and high commodity prices. We are here to help you capture the best opportunities, reduce risk, and increase your farm operation's profits. Please contact Tracy Swenson for further information. We look forward to working together with you in 2013.

Precision is Leading Edge

As the fall season draws to a close, we want to reflect on the growing season of 2012. Fields enrolled into Prairie Lakes' Precision Ag program yielded very well. The advantage of placing nutrients with precision was most beneficial to the crop, and widened margins considerably for the farmer in the Summer of 2012



"Boost your previous yield goal maps"

drought prone Central Minnesota area. Yield data is a great indicator of the type of season we experienced and highlighted the areas with both poor and outstanding production, showcasing the genetic advancement of our hybrids/varieties. In preparation for 2013, we are asking our farmers to bring in yield cards to any Prairie Lakes Coop agronomy location to be "backed-up" or secured for storage for years to come. Once Prairie Lakes has received the data, a service can be provided to "clean-up" yield data, taking out any abnormalities and some combine problems (including monitor calibration). Once cleaned, the data can be utilized with other yield data (or other data including grid sampling, imagery, etc.) to create yield goal maps. Being that 2012 was an excellent year for illustrating variation, we have the ability to boost the previous yield goal maps to reflect the latest genetics and fertility management regimes in the field. Cleaned yield data can also aid in hybrid selection and placement for variable rate population maps for the spring of 2013. Please ask any Prairie Lakes Coop Account Advisor for more information about yield data or variable rate population maps for planting. Thank you for giving us the opportunity to work with you in 2012!

Buy Right Buy Now!



Are you looking to expand your grain storage facility? The time to buy is now, and the bin to buy is Sukup!

There is a difference in bins. Call or stop in today to find out what makes a Sukup Bin more than your ordinary steel tank and take advantage of great winter discounts.



SUKUP BIN DAY

JANUARY 16—ELROSA

Sukup Bin Day will be held at the Prairie Lakes Coop Elrosa Office located on North Hwy. 71 in Elrosa.

Our Sukup Rep will be on hand to answer questions about Sukup Bins. Our Heavy Hardware department will also be available for questions as well. Jay Heinze has taken over as the Long Prairie Location Manager. With the help of Jay and Mike Merten, Nathan Heinze will be taking over our grain bin sales. Please be sure to stop by to meet Nathan if you haven't already.

For more information contact Nathan Heinze at 1-800-992-5566 for Sukup Sales and Service.

