

**SPRING 2019**

## The True Value of Cooperatives

By **Tod Clark, General Manager**



I'll grant you that I'm extremely biased, but I believe a cooperative is the best business model there is when you consider the total value of what we bring to our member owners. We deliver that value in the form of:

- Well-trained and experienced people you can trust for advice that benefits your bottom line.
- Facilities that are well-maintained, updated and expanded to meet the demands of today's production agriculture.
- Responsive services that meet your specific needs.

Then there's the extra value provided uniquely by Country Partners Cooperative, the business that's locally owned by the customers it serves. As a cooperative, 100% of our earnings stay local. What do we do with those earnings? Only three things:

- We invest in facilities/rolling stock.
- We pay patronage commensurate with the owners' use and our profitability.
- We pay equity earned by the members over time.

Take this past fiscal year for example. Due to the strength of our balance sheet, your cooperative allocated 100% of its net income from last fiscal year to our owners. More than \$4.3 million was returned to the members who supported and used the goods and services provided by Country Partners.

Ask yourself — what are some of the new ag sector competitors doing with their profits?

Here's what we've done with ours. In addition to the patronage checks members received as the results of a financially successful fiscal 2018, the board of directors recently approved the redemption of \$1.6 million in equity. This payment follows the \$2.1 million in equity that was paid back to members during fiscal 2018.

We also invest in our communities. Country Partners donated more than \$100,000 in 2018 to fire departments, FFA, 4-H, community events, hospitals and schools.



Ask yourself — what are some of the new ag sector competitors doing in terms of community support?

Finally, the direction and vision for Country Partners Cooperative is set and driven by a locally elected board of directors chosen by the membership of the company. Your feedback is welcomed and encouraged, and we want to hear the ideas you have to help your company bring you more value. Visit with your board members or come in to discuss issues with management. We are here for, and because of, you, our members. ■

# Big Crops, Big Challenges

By Scott Hillius, Vice President of Grain



As February came to an end, we had nearly all of our uncovered grain piles from harvest picked up. We had a little more than 1.5

million bushels of corn on the ground. It was a nice problem to have as it signaled a good harvest, but not one we wanted long-term.

The ethanol slowdown that began in October has made moving some of that corn a little more difficult, particularly for our truck houses. Ethanol margins have improved but still are not great.

A few bean trains have been shipped out of Gothenburg, but overall, moving soybeans has been a little like pushing an elephant through a door — there are just a lot of beans to move and limited demand.

We saw more farmers put beans on the farm this year. There was simply no room at the elevators. A lot of those on-farm beans have been marketed and will be moving to town over the coming months. Though crush margins are still good for our processors, bean sales have been slower. Beans are still plugging elevators across the country, making it difficult to take grain off the farm.

The bean business done with China recently will most likely come from the

Dakotas and Minnesota, not Nebraska, due to BNSF freight advantages to the PNW. Bean trains out of Nebraska are still few and far between. It's difficult to pinpoint China's demand for our beans going forward with their economy slowing down, the swine flu epidemic and a more normal bean crop from Argentina. We do need more beans to leave our area via rail or next fall will be problematic again.

Will China be a buyer of corn, DDGs and ethanol? That's a big unknown for us, as the corn market awaits bullish news to drive prices higher. China's economy is export-based as opposed to our consumer economy and it is slowing. Both Chinese exports and imports have dropped sharply, and there is evidence that U.S. tariffs are damaging the Chinese economy with greater force, and at a much quicker pace, than expected. Many feel this is an incentive for China to be concerned about further tariffs.

In South America, dry conditions cut into soybean yields and led to a faster harvest pace. However, that will also allow earlier planting of the safrinha corn crop, which generally results in higher yields.

Pivotal January reports were pushed back to Feb. 8 due to the government shutdown. While much anticipated, the reports proved to be non-events.

Corn yields were reduced a record 2.5 bushels per acre from Nov. 1 estimates and bean yields by .5 bushels, but the USDA lowered demand. At the end of the day, the changes were in the range of what the trade expected and the market went right back to its pattern of quiet, range bound trading.

Crop insurance base rates were set during the month of February but were not yet known when this article went to press.

Looking ahead to planting intentions for 2019, the bean-to-corn ratio hasn't changed much in the past six months. We may not see a big acreage shift to corn in our area, but even if soybean acres decrease by 2 million acres and yields are similar, bean carryout will grow to well over 1 billion bushels. Ugh! Not a lot of upside potential there at this time.

The Country Partners White Corn program continues to grow. We loaded three trains from Gothenburg last year and are scheduled to load five — an additional million bushels — in 2019.

Please keep us in mind when you're moving grain off the farm. We can get direct-ship bids from your farm to end-users and processors, and our Gothenburg train loader offers access to premium export markets. We offer marketing tools tailored to fit a variety of market environments. Call our grain merchandising staff or contact grain originators Jim Carlson (308-537-7141) or Jeff Craven (308-728-3254) to help market your grain. ■



Thank you to all those who attended our Grain Marketing Outlook meetings in late January! We had outstanding attendance at all three locations to hear about world and domestic grain markets from Nathan Mangold, Merchandising Consultant and Broker with Advance Trading.

# Teaming Up With First Responders

Contributing to the communities where we have business operations and facilities is important to Country Partners. It's an integral part of the cooperative spirit. Many of our employees generously give their time and talents by serving on their local fire departments and fire boards.

To show our appreciation to all volunteer first responders who serve as firefighters, EMTs, rural fire district board members or in any other way, by the end of March we will have made donations to 20 fire departments across our operational territory. We're proud to join you in providing safety and peace of mind in rural communities across Nebraska. Thank you for your service and dedication to all area citizens. ■



Here are just a few of the 20 fire departments we've been able to assist with donations so far this year.

## Input Prices Are Doing What?



By Scott Haller, Vice President of Energy

With spring at hand, there's some good news on the price front as you ready your equipment for spring field work. Cenex® has announced a price reduction on two of their most popular bulk lubricants, Superlube TMS® 15W-40 and Qwiklift® HTB®. We're happy to be able to offer some price relief on a couple of our go-to bulk oils.

Our cold winter makes us think of home heat, and our current Secure Comfort season is coming to an end in March. We'll true-up the accounts and start the signups for next season in May, with the first payment on the new season due in June. If you're not on the program, it's a great way to level out

your heating bills and avoid those mid-winter spikes.

I want to remind everyone of the convenience of our Cardtrol system. We have 19 locations in 17 communities, and all of them allow you to get fuel 24/7 with one of our Country Partners cards. We've updated our card encoding equipment so we can once again create a card for you at both our Cedar Rapids and Gothenburg offices. The majority of our Cardtrols take major credit and debit cards, as well.

### Best in the business?

Many think so. I'm talking about the Cenex Total Protection Plan (TPP) warranty. When you use Ruby

Fieldmaster® Premium Diesel Fuel and Cenex lubricants exclusively, you can get up to 10 years or 10,000 hours of engine and transmission coverage on new equipment, and 8 years or 8,000 hours on qualifying used equipment. You can get the same coverage by using Maxtron® lubricants exclusively with any fuel you choose.

The TPP provides comprehensive protection above and beyond the OEM warranties for a one-time fee of just \$299 for new equipment. You earn \$200 in Cenex products when you enroll, and there is no deductible if you have a claim. The warranty can also be transferred at no cost to anyone who purchases your equipment. ■

P.O. Box 80  
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## AND THE WINNER IS...

**Don Butler of Cozad.**  
He took home a \$200  
Cenex gas card.

Thank you to all who shared  
with us their thoughts on the new  
website. If you haven't yet, we  
encourage you to check out both  
the site and our newly launched  
iPhone/Android app today!



# Getting Ready for the Most Important Season



**By Anthony Brass, Vice President of Agronomy**

As planting season draws near, know that we can still handle any last-minute seed decisions, as well as any weather-related in-season adjustments. Also, I want to remind you about our Seed

Growth program. The more seed you purchase from us, the greater the opportunity you have to purchase micronutrients and other value-added products at a reduced price.

Research and experience continue to demonstrate the importance of pop-up starter fertilizers in crop establishment. We have some unique starter options, customized to the grower and the field, that set us apart in the marketplace. Before you settle on the same old starter, talk to one of our agronomists.

Keeping that emerging crop weed-free is the next challenge. In the new world of weed resistance, an effective pre-emergent herbicide program is critical. If you don't control resistant weeds in the early stages, you're in for a fight. I know it can be tough to spray when there are no weeds present, but trust your agronomist and know that his recommendation will enable you to take care of that weed problem you had at harvest.

Planting is the most important time of the year. Mistakes here will haunt you all season. Take the time now to get

together with your field agronomist and make sure you're squared away before the spring rush hits.

## **Moisture management**

If you're interested in soil moisture monitoring, we have a couple different options to consider. We handle systems from two manufacturers that use in-field sensors to monitor soil saturation levels. The sensors send information to a cell tower so you can get field-by-field moisture information right on your phone. We can handle the installation for you from start-to-finish.

We will be testing new software this spring that will help us dispatch our application fleet more efficiently. The system should allow us to better serve our customers by getting the acres covered in an even more timely fashion.

In these challenging times, the members of the Country Partners agronomy team want to be solution providers. We firmly believe that when we are a part of your decision-making process, we can help you bring more to the bottom line. We look forward to putting our experience, knowledge and technology to work for you this growing season. ■

