

The Scoop



Harvest is Here Mitch Williams General Manager

It is a great time of the year as harvest gets under way and we close the books on another successful fiscal year. We thank you for your business and your support. Ray has done a nice job in spelling out the numbers for you, but the bottom line is another record year of earnings to pass along to the membership. I know that it is said a lot, but there is no other agricultural business in this area where the profits are distributed locally. It is your company and we continue to strive for the ability to meet your needs.

I am also excited to welcome our new patron base from the Sabetha/Humboldt areas. We are excited about the opportunity to serve you in your respective areas. With any change there is a transition period, but we are working hard to get people in place that can and will serve your needs. Please do not hesitate to call me here at the office if you have any concerns or questions. Also a reminder that all common stock holders of Farmers Cooperative Elevator that also meet the requirements of membership in Ag Partners Cooperative, are eligible for membership by simply filling out an application. If done by December 30, 2011 the purchase of membership is waived.

Over the past several years, your company has been on a very aggressive growth pattern as we strive to update facilities and equipment. I believe this growth has been prudent and necessary and that we continue to have great need for reinvestment in these facilities. To be positioned to serve your ever increasing abilities to harvest and put seed in the ground, profitable growth is required. The investments already made are making a difference for us to be positioned for this.



The new bin facility at Willis is up and running as of the 22nd of September. We appreciate the support of

the board and membership to allow projects like this to go forward and ultimately succeed. All of our patrons

will benefit greatly from the new storage and handling addition.

Crop Production Update Kevin Goertzen Agronomy Manager

Welcome to our new patrons of Humboldt & Sabetha. I look forward to meeting & serving you over the many years ahead. I am hanging my hat in Sabetha on Tuesday's & Thursday's & will be in Humboldt on Wednesday's in the weeks ahead in an effort to meet as many of you as possible and to work thru the transition and blending of the 2 companies. We are excited about the opportunities for growth in our new venture with a much bigger footprint in this region.

In recent days China has again this year threatened to halt urea exports. This has happened in the past few years and it always throws the nitrogen market into a rocket heading up, so hold on. With that said the struggling economy, dropping stock, grain, & fuel markets could have a much bigger impact on world fertilizer prices than threats from China.

Our Condo ammonia storage project is marching forward. Hopefully as you read this the two 30,000 tanks will be set at Padonia & plumbing started. We have land at both Powhattan & Willis to add tanks for both of those locations as well. I hope that we will have them delivered as soon as the crops are cleared from those fields, but getting them plumbed and into service this fall probably will not happen.

We completed testing this summer on 98 nh3 trailers to keep our fleet in DOT compliance. This is a massive undertaking as well as we added 35 trailers with our purchase of the Alida Pearl Coop nh3 assets from Chapman KS. So we have several guys that are sick of working on tanks and thus are looking forward to getting into full blown harvest and fall chemical & fertilizer application.

We have secured a pretty good supply of lime for this fall, so get us your maps as soon as possible. We have nearly 3000 ton on the ground already and by the time you read this some will already be applied.

We have nearly 300 chemical shuttles to test to remain in EPA compliance. This summer it is just amazing the number of hours that we spend to keep this company in the good graces of our regulatory agencies. The fines

that are levied any more are not just little pats on the wrist, they can be substantial.

Thank you for choosing us as your preferred supplier and allowing us to serve you!

Seed Report Jeff Williams Seed Manager

Early yield indications are positive and in most cases better than expected given the cool/wet stand establishment period followed by prolonged heat period and spotty rains in some areas. We always want more it seems, however we are so blessed to have the yield results that we are experiencing.

We will have the MAX-IN program offering again this year. The deadline for earning MAX_IN credit is October 29th. Early seed commitments are eligible for the MAX-IN credit on RR2 soybeans, and corn with VT2P, VT3P and SS traits. If need be we can change products on the early commitment, it just needs to be a legitimate seed commitment as final sales reporting will ultimately dictate eligibility.

Cash discount early pay date will be here before you know it. Currently my plan is to have first round for early seed cash discounts the last week of November. My plan for early cash discounts on seed will be November 30th, December 30th and January 6th. I would encourage you to plan ahead and order early as the concern regarding seed corn supply for 2012 continues to demand attention. The 2011 seed corn growing season has experienced a multitude of production challenges. Many seed corn production areas experienced poor stands due to poor planting conditions this Spring followed by heavy rains and in some cases flooding, high winds and heat related stress resulting a complete loss of some seed production fields. In addition to what appears to be a tight supply situation which will influence pricing, the cost of seed corn production is up approximately \$10-\$12 per unit industry wide due to commodity price influences alone. An early look at the Dekalb seed corn price card appears to reflect only the increase in seed production cost on the current products. I expect similar trend on the Croplan price card that is due to be released in the next couple of weeks.

Have a profitable harvest!!