

River Country CROSSROADS

December 2011

www.rivercountry.coop

Returning Cash and Improving Services

By Kevin Sexton, General Manager

In this newsletter you'll read about improvements River Country Cooperative is making at several of our facilities. We pride ourselves in returning a high percentage of our earnings to our member-owners in cash. The rest of the story is that we're continually investing in people, equipment, and facilities to better serve our members.

At Randolph, we're doubling our dry fertilizer storage in order to buy right and have enough product on hand when our customers need it. A couple years ago, the river opened late and supplies got pinched. Additional storage at Randolph will address that issue. See Bob Rahman's article on page 4.

We're upgrading our feed manufacturing plant at Miesville to provide more efficient service to livestock producers. This investment underlines our continued commitment to that industry. See Duane Fowler's story on page 5.

River Country Cooperative recently purchased, remodeled, and opened a new c-store in Inver Grove Heights that will increase our buying power in the energy markets to the benefit of all customers, town and country. See the story on page 2.

Besides the obvious advantages of facility and equipment improvements, it's good for your cooperative to maintain a progressive image. The old adage, "If you're not moving ahead, you are falling behind," is more applicable today. Employees want to work for a company that is improving. Customers want to do business with a healthy business.

We're tickled to be able to invest in the future and still return 50% cash to our members. That will not always be the case. At some point, business cycles will change. But for now, members of River Country Cooperative can have their cake and eat it too. ★



*Kevin Sexton in front
of the new Inver Grove
Heights convenience store.*

New C-Store to Benefit All

Our newest convenience store, at the corner of Carmen Avenue and 57th Street in Inver Grover Heights, opened its doors on August 12. Since then, business has blossomed. The last day of our Grand Opening, 1,552 customers walked through the doors of the new store. The day before that, customers pumped a record 6,000 gallons of gas.

“Days like that take us a long way toward our goals,” says River Country’s general manager, Kevin Sexton. “We’re hoping to sell over 1.5 million gallons of gas annually at this location.” The additional volume will give the cooperative additional leverage to buy fuel better for all of its customers—town and country.

Over the nine months since it was purchased at a bankruptcy auction, this store has been almost totally reconstructed. Only one of the original walls remains, and an additional pump island and canopy was installed on the east side of the store to attract more business from 57th Street.

The Inver Grove Heights store is unique among the co-op’s eight convenience stores, from the stately stone-clad pillars of its canopy to its LED-lit coolers. “I want our neighbors to know they are appreciated when they come in,” says manager Sandy Ohman, “They’ll be treated to great service by friendly people who will always make them feel welcomed.

At a major intersection, the store is surrounded by residential rooftops, with ball fields just down the street. “It’s very much a community, rather than a commercial, c-store,” Kevin comments. ★



Customer enjoys a laugh with Heather, an employee of our new store.



Sandy Ohman shows off the store’s LED-lit coolers.

Keeping Your Account Healthy

As we approach the end of River Country Cooperative’s fiscal year, I want to thank everyone who abides by our credit terms and pays on time. *To all: Please pay your account in full by December 31, 2011.*

Payment is due the 20th of the month following the charges, as declared on your monthly statement.

If we do not receive payment by the 20th, you are subject to a finance charge, and your account may be restricted. If you try to charge at one of our convenience stores, your River Country credit card may be locked out without prior notice.

Propane and fuel oil customers: We need payment on the last bill before we can fill you again.

Agronomy customers: Our terms are net the month following charges. If you do not abide by these terms, your account could be locked out.

If you have a problem paying on time, call me at our St. Paul office at 651-451-1151 or our Montgomery office at 507-364-5059. ★



CREDIT POINTERS
By Walt Miller

Question on Your Bill?

By Linda Speetzen, Comptroller, South St. Paul

River Country Cooperative has offices in Hastings, Miesville, Montgomery, and Randolph, but most of our customers do not know that our central office and computer system is located near the intersection of Concord Street and Interstate 494, in South St. Paul.

This is also the location of River Country's St. Paul bulk plant. Most of our customers have no idea we're here, because 99 percent of our business is done by phone. We take calls at this office from farmers, commercial businesses, or homeowners placing fuel and propane orders, and drivers are dispatched from this location.

While you place orders at your nearest River Country bulk plant, agronomy plant, feed mill, or convenience store, you will probably call here if you have a question on your account. Other offices enter sales, but our computers are linked together via the internet, and all transactions end up at our

South St. Paul office. The central office mails 3,000 statements monthly to customers of all 15 River Country locations.

Do the statements contain errors occasionally? Absolutely. We're human and we make mistakes, but I can assure you it is not intentional, and we want to correct any errors. If you see something on your bill that you don't understand or is not correct, please call us at the South St. Paul office at 651-451-1151. We are open and willing to correct any errors, but you must first bring it to our attention.

EDITOR'S NOTE: Raised on a farm near Prescott, WI, Linda Speetzen has worked at our South St. Paul location since January 18, 1988. During her time with River Country Cooperative (formerly Farmers Union Co-op), the number of locations has increased from 4 to 15. Linda enjoys the challenge of her job. "Every day is a new day and you never know what will happen," she states. ★



Linda at our South St. Paul office.

Hybrids Short—Let's Talk Now



SEED

By Joel Thorland
Agronomist

As a River Country customer, you should be in good shape if you give us some latitude. What I mean by that is, "Allow us to help

A few hybrids for 2012 planting are in good shape, but many are in tight supply. A difficult growing season resulted in poor production, which has affected all seed companies. Seed shortages this early in the season have happened before, but this year it's almost epidemic. Each seed company is urging farmers to choose early or risk disappointment.

But don't worry. There's enough seed out there for everybody. You do need to sit down with your River Country agronomist right now and cover your needs for 2012. Then, be patient. More seed may come available later. *NOTE: If you're comparing prices, just remember everybody is short and River Country pays the biggest dividends.*

make your seed-buying decision rather than telling us exactly what you want." If you give us that latitude, we may be able to steer you to hybrids and varieties that we have tested but you haven't seen in your fields."

Beyond filling your 2012 seed needs, this could be good for you. The day of planting the same hybrid year-after-year because it worked well on your farm is probably gone. The seed industry is in a 3-to-4-year cycle between the release of a hybrid and the replacement of that hybrid with something new. They don't add new hybrids to what they already have available—they replace their older hybrids. They no longer produce the hybrids they replace, so you won't be able to plant them any longer.

Seed sizes will be another issue in a year when there were problems with seed production at all companies. But these challenges are nothing we can't work our way through, as long as you remain open-minded. We can provide you with some great solutions to issues that appear to be problems. ★

Our Goal: Fertilizer When You Need It



AGRONOMY UPDATE

By Bob Rahman

We're increasing the dry and liquid fertilizer storage at our Randolph agronomy facility. By extending our dry fertilizer plant, we're doubling our capacity. The extension will contain two large bins—one for urea and one for ESN.

With the completion of this addition, we will be able to store enough urea to get through the bulk of the spring season. If other River Country agronomy plants are short of urea, we can help supply their needs. *NOTE: It makes sense to take in urea*

at Randolph and truck it to plants in Hastings and Montgomery, because Randolph is the only plant on the rail. The new rail receiving equipment for the addition is being configured so that fertilizer can be put through directly from railcars into semis and trucked to these other plants.

More storage will allow River Country Cooperative to buy and store more fertilizer products year-round, positioning us for the busy season and ensuring that we have the fertilizer you need when you need it.

The upgrade at Randolph will also allow River Country Cooperative to handle more ammonium sulfate and trace elements and buy them at a better price.

We're also adding three 19,000-gallon liquid fertilizer tanks at Randolph—one for 28-0-0, one for 10-34-0, and one for 9-18-9.

Finally, workers are converting the storage area behind the office at Randolph into a maintenance shop to replace the shop that was located where the new dry fertilizer storage is now being constructed. ★



Workers are doubling the dry fertilizer storage at our Randolph agronomy plant.

We Can Help You Manage Micros

For many years we have been soil sampling for sulfur, zinc, and boron. In our area, with highly variable soils and generally low organic matter, these nutrients have consistently come back low and have impacted corn yields. Below, I will briefly touch on each of these nutrients.

- **Sulfur** used to be added through atmospheric deposits (emissions, etc), other sources of commercial fertilizer, and manure applications. With cleaner emissions and the use of different commercial fertilizers, sulfur levels are low and have to be added. Sulfur is made up of a few amino acids that are essential for protein formation. It is also involved in the formation of vitamins and production of chlorophyll (which makes plants stay green). Sulfur is mobile in the soil and has potential to leach in

low organic matter and coarse soil types.

- **Zinc** is a metal that is necessary for chlorophyll formation and carbohydrate formation. Most zinc is applied through starters.
- **Boron** aids in the transfer of nutrients and sugars from the leaves to the reproductive organs of the plant. Adequate levels of boron are essential during tasseling and silking. Boron is also mobile in the soil.



PRECISION AG
By Evan Dee
Agronomist



Keep up to date on soil samples and tissue samples to figure out exactly what the needs are on your farm. River Country Cooperative has several ways of adding these micronutrients into your mix. With commodity prices where they are, you need to know everything possible to make sure you can get the most out of every acre.

Direct your questions to any one of our agronomy sales staff regarding micronutrient management. Thank you for your patronage, and have a wonderful holiday season. ★

No Shortage of Market-Moving News



GRAIN NEWS By Dave Belongia

I hope you all enjoyed a safe and bountiful harvest season. I heard from many of you that yields were a little lower than last year, but you harvested a high-quality crop that required very little drying before storage.

There are so many factors affecting grain prices this year. We keep hearing about the effects the “outside markets” are having on the grain markets. Commodity markets in general (including energies, metals, and grains) are trading in tandem, influenced by

fund and technical traders. National financial crises in Europe and our inability to deal with our own budget problems here in the United States have influenced commodity markets negatively most of the time.

There has been no shortage of fundamental news to keep the market moving. Since harvest, cash movement has been light, keeping basis levels strong and futures spreads narrow as, first, the river market and, now, the processors bid up for grain. That keeps carry to future months lower than usual for this time of year. Exports have been lower than forecast lately, due to competition from other countries. Supplies are good in many parts of the world, and those bushels are competing in markets usually supplied by the U.S. The eastern European wheat crop was good this year after suffering

from drought last year. When wheat supplies are plentiful, the extra bushels seem to find their way into feed grain markets, competing with U.S. corn. Ethanol exports are strong due to sales to Canada and shipments to Brazil because of poor sugarcane production there.

There are many crop reports and production estimates coming out in the next few months. The January crop production and supply/demand report will have final numbers for the 2011 crop. Many traders are already looking for good usage numbers for the first quarter of the marketing year. That could help temper expected selling shortly after the first of January as fund traders rebalance their portfolios as the new year begins.

In late February, the USDA holds its annual Ag Forum, releasing planting estimates and supply/demand projections for the coming crop year. The concern is that USDA typically uses trend line yields in their projections, which would provide a more optimistic supply situation than most private analysts are projecting. Keep in mind that after two years of sub trend line yields, we need good weather and a good crop to keep supplies adequate and prevent even more volatility than we have already seen.

Keep in touch with your thoughts on how these market factors affect your marketing plans and what I can do to help. You can reach me at 888-456-7501. ★

Changes at Miesville Feed Mill

River Country Cooperative is increasing its bulk storage for ingredients at our Miesville feed mill. The renovation project involves adding two 35-ton bulk ingredient bins that replace two existing 16-ton bulk bins.

Workers install two 16-ton bins to hold finished feeds.



The additional storage will allow River Country Cooperative to inventory ingredients like bakery waste and canola when they would be more economical to include in the dairy cow's ration.

Ingredients in these bins will be augered directly into the mill, saving labor over the current arrangement, which requires unloading into a truck and trucking the ingredients into the mill. The entire milling process will be more efficient for the cooperative and its customers.

The upgrade also includes installation of two 16-ton bins that will hold finished feeds, ready to be trucked to our customers' farms.

This project was started after harvest and will finish in December. ★



FEED FINDINGS By Duane Fowler

RIVER COUNTRY COOPERATIVE



Elements for life

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South St. Paul, MN 55075

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Tough Year Reveals Real Issues

By Lowell Tangen, Location Manager, Montgomery

The 2011 growing season reminds me of spending a long day pitching manure with a five-tined pitchfork. It didn't kill me, but I don't think I would want to do it again.

The yields certainly weren't what we hoped for. The challenges we faced were numerous, and we never knew what was going to happen next. It did make many of you take a hard look at your farming practices.

Because of unsatisfying harvest results, River Country Cooperative pulled more soil samples this fall than we ever have since I came to

Montgomery. That in itself is good. We found some real issues, such as soil pH. You can have plenty of soil P & K, but if your soil pH is in the 5s, a good share of that fertility is tied up.

Those fields that were grid-sampled really showed the variation you can have across a field. It was not uncommon for over half the field not to need lime, but the rest of the field to need rates of less than two tons to over five tons. Applying lime to an area that doesn't need it is kind of a waste. Under-applying only partly solves the problem.

I really feel that the biggest advantage of grid sampling is the proper application of lime.

Controlling fuel costs

Tillage was difficult this fall. The ground was hard and the equipment pulled hard. Equipment took a beating and used a lot of diesel fuel. One of our accounts was telling me that at times their large tractor was using over 25 gallons of fuel per hour. That is a healthy fuel bill!

Did you know that you can contract fuel any time you want? Some patrons purchased their fuel on contract at very attractive prices this past growing season. Contracting is another way to control your costs—plus the co-op has been paying patronage of over 10¢/gallon on fuel. Why would you go anywhere else?

Contact your nearest River Country location to price out diesel for next spring or fall. ★



The tower behind Lowell received a facelift this summer when Montgomery's fertilizer plant was reshingled. The River Country logo is emblazoned on one side.

COOPERATIVE DIRECTORY

Apple Valley . . 952-891-2945

East Bethel . . . 763-434-1673

Hampton 651-437-3053
800-225-4316

Hastings 651-437-6758

Inver Grove
Heights 651-209-3396

Kenyon 507-789-6201

Lakeville 952-469-2401

Lake Elmo . . . 651-777-6029

Miesville 651-437-3527
888-456-7501

Montgomery . . 507-364-5059

New Prague . . 952-758-6767

Randolph 507-263-4631
800-657-3285

South St. Paul 651-451-1151

Webster 952-652-2272

Concord St. . . 651-451-0321