

TRAILHEAD

"BRINGING INNOVATION AND SUCCESS TO THE SANDHILLS"

March 2009 • PUBLISHED BY FARMERS RANCHERS COOPERATIVE, AINSWORTH, NEBRASKA 69210



- Main Office 402-387-2811
- Propane Office..... 402-387-1220
- Mr. Tire – Ainsworth 402-387-2533
- Toll-Free..... 800-233-6627
- Agronomy Center..... 402-387-2323
- Feed Mill..... 402-387-2810
- Mr. Tire – Mullen..... 308-546-2281
- Mr. Tire – Valentine..... 402-376-2060
- Valentine Feed Store..... 402-376-3045
- Toll-Free..... 866-376-3045
- Springview..... 402-497-2020
- Bassett – Fuels 402-684-2811

WWW.FARMERSRANCHERSCOOP.COM



RIDING ROUGH WATERS

No one claims agriculture is an easy business. Whether you produce crops or livestock, if you've been doing it long enough you've seen your share of cycles. The cooperative business deals with the same forces that impact its customers. And we've seen our share of ups and downs, as well.

Farmers Ranchers is coming off a record good year in 2008, with 2009 promising to bring many more challenges. Everyone understands that the drop in fertilizer and commodity prices is impacting various segments of the business. No ag producer—and no cooperative—is left unaffected. We are all part of a global economy that is in the midst of some pretty rough waters.

It's during times like this when you're glad your boat is sturdy. Farmers Ranchers didn't just adopt a more efficient way of doing business in reaction to the current economic crisis. It's been part of our culture for a very long time. We're not a flash-in-the-pan type of cooperative. We reflect the mindset of the people we serve in the Sandhills Region—conservative and steady.

Watching costs and margins

Part of that culture has been to closely monitor our financial performance—comparing our operating expenses and margins annually with other cooperatives. Now, due to technology and a cooperative effort between the Nebraska and Iowa Cooperative Councils, we'll be benchmarking our numbers quarterly.

MANAGER'S MOMENT

by Keith Erickson
President & CEO
kerickson@frcoop.com



Having access to more current information, and comparing our performance every three months, will allow us to react more quickly if we find we're out of step with like-minded businesses.

Reacting to your needs

We are also committed to upgrading our facilities and equipment in order to provide you with excellent service. You'll see that commitment in action on the inside pages where we highlight recent investments in new equipment. Your board and management consider very carefully before making these expenditures, but we also know that a cooperative focused on the future has to be ready to meet the needs of its customers.

We also focused on our future during a recent Nebraska Cooperative Council session called "Cooperatives for Tomorrow." In addition to hearing from economists on where they see the economy heading, we began formulating a three-to-five year plan. We'll be continuing that discussion as we look for opportunities.

It's good to know that your cooperative is a steady ship, intent on continually evolving to meet both your changing needs and the challenges in the waters we call agriculture. ■

WHERE WILL IT LAND?



The volatility in the fertilizer market creates a very uncertain market right now. And that's an understatement. There are so many variables. Will farmers plant the approximate 80 million corn acres as some expect? Or will it be more? If we do plant more, there's an issue of fertilizer product. Can we move it quickly enough? Due to high fertilizer prices last fall and a late harvest, the industry says only 40% of the fertilizer that normally hits the ground in the fall was actually

applied. That means there is a lot of product to move this spring. We're simply going to have to see how things shake out.

Ready for seed treatment

Responding to demand, Farmers Ranchers purchased a seed treater that will be ready to inoculate our customers' seed this season at a rate of 1,600-1,700 units of soybeans per hour.

Not only is the seed treater a big investment, but a testament to your co-op's desire to stay ahead of customer demand. We will offer delivery of treated seed right to your field, or you can bring it in and we'll custom treat it and send you on your way. While

we'll treat all of your seed, priority in scheduling will be given to seed purchased at Farmers Ranchers. Call us to find out more.

Sporting new applicators

You'll also be seeing two new applicators in our arsenal. We've purchased a new Case IH Flex-Air 4520 dry applicator. The machine, allowing one blend, can apply more accurately in stronger winds and has variable rate technology. We'll be able to use soil survey maps or producer yield data maps to give you more precise application.

The Case IH row crop machine for post application has variable rate technology and sports 60' and 90' booms. Both pieces of equipment will get a work out as we grow the number of acres we custom apply.

We've got a full staff and equipment that's gearing up for the season. Please contact me, Agronomist Katie Moravec, or anyone at the Agronomy Center with any questions or needs at 402-387-2323. ■



DIVISION PROFILE: REFINED FUELS

HITTING THE ROAD WITH ENERGY

It's practically impossible to get a photograph of the entire Farmers Ranchers refined fuels crew. After all, they hit the roads in their delivery trucks from three different locations early in the morning, heading to all corners of the co-op territory—and seldom return until day's end.

That leaves Fuels Manager Mark Gracey for the task, and he's not one to seek out the limelight. He does, however, know the business well. After all, he's been handling the contracts, people, fuels, and equipment that supply our customers with their gas, diesel, and oil needs since becoming manager in 1996. He came to the position naturally, having been a partner in the Irwin Oil and Tire business when Farmers Ranchers purchased the business in 1995. It then consolidated

the station and tire business to its current location on Highway 20.

Today, Mark, along with Harlan Simonson out of Ainsworth, Ev Stewart in Bassett, and Glenn Garner in Mullen, jump in their trucks each morning for routes that take them to fill tanks on farms and ranches in the counties we serve. They fill their trucks from one of five bulk plants at Ainsworth, Bassett, Springview, Valentine, and Mullen that hold a total of close to one-half million gallons.

While Mark logs his share of miles in the truck, he's also on the phone—usually his cell—taking fuel orders and assisting customers on contracts that can put a safety ceiling on what's been a volatile market. Drivers have also been encouraging customers to increase their storage capabilities so they can purchase

more fuel when advantageous prices are available.

"We're actually selling them insurance," says Mark, who adds that volatile markets have made protecting customers against rising prices more and more of a challenge. Another aspect of the business which has changed over the years is the cost of doing business, says Mark. "The cost of delivery has gone up tremendously," he says, explaining that rising costs of trucks, insurance, and employees have made margins tighter.

What hasn't changed is enjoying a job that gets you out in the country and working hard to service customers you come to know well over the years. It's a position of trust, says Mark, and he takes it seriously. "I like everything about this job," he says. "If I didn't like it, I wouldn't be a fuel hauler." ■



YOUR EXHAUST EXPERTS

by Dennis McBride
Mr. Tire Manager-Ainsworth
dmcbride1@frcoop.com

It's not every service station that can handle exhaust work on your vehicles. We're pleased to be one of them.

David Kackmeister at our

Ainsworth Mr. Tire location is an experienced mechanic who knows cars and knows exhaust systems. David, who has been with us for 13 years, can do complete exhaust systems, including tail pipes, mufflers, converters, dual exhaust, and some of the big exhaust systems for diesel pickups.

We also have access to a new supplier for all of our exhaust needs, including the well-known AFE high performance air intake systems that can help diesels perform at their best for mileage as well as power. Speaking of power for diesels, we can also order Bully Dog and Hypertech performance chips for your pickups. You can install and program these chips yourself, or we can do it for you. They're designed to boost economy, performance, and horsepower.

New tire truck on board

There's a new tire truck on the premises, ready for your on-farm tire needs. The 2009 Chevrolet 5500 diesel has an Allison transmission, crane, lift gate, and calcium pumps. It may be the first new tire truck ever for Farmers Ranchers, and we're pretty proud of it. This gives us two tire trucks out of the Ainsworth location, with another based in Valentine.

We have a really good selection of rear tractor tires on hand. If you're going to need front-wheel assist tires, it's best to get them ordered since they're in short supply.



Dale Mapes (pictured) and Tom Handsacker are both ready to take your on-farm tire calls with our new tire truck in Ainsworth.



David Kackmeister is ready to handle your vehicle's exhaust needs at our Ainsworth location.

Tire promotion underway

Cooper Tire is offering a Take the Money and Ride promotion on its passenger, SUV, and light pickup tires until the end of April. These customer mail-in rebates are \$50 for Discoverer ATR, CTS, and H/T tires, and \$40 for the CS4 Touring premium passenger car tire. The CTS is a premium SUV tire, while the ATR and H/T are both for light trucks and SUVs. The CS4 has a high mileage rating. Road hazard is also included on all our Cooper tires. Another benefit is that Cooper is an American-owned company with American-made tires. And if you're searching for less expensive alternatives on the Internet, remember that our price includes mounting and balancing.

Come in and see us for more details on any of our products or services, or give us a call at 402-387-2533 in Ainsworth, 402-376-2060 in Valentine, or 308-546-2281 in Mullen. ■

WEATHER AT A CLICK

SEARCHING FOR WEATHER INFORMATION? GET A REGIONAL AND U.S. WEATHER MAP, AS WELL AS THE OPTION OF GETTING LOCAL WEATHER E-MAILED TO YOU DAILY. GO TO WWW.FARMERSRANCHERSCOOP.COM AND CLICK ON THE WEATHER MAP.

INSIDE

TIRE PROMOTIONS

PAGE 3



FEED FOCUS

STOCK UP ON CHELATED MINERALS

by Rocky Sheehan
Feed Division Manager
rsheehan@frcoop.com



Shelly Strand, store manager at the Ainsworth Feed Mill, models the Farmers Ranchers jacket you'll receive when you participate in our Chelated Breeder Mineral promotion.



Farmers Ranchers is rolling out a new product just in time for spring calving season. The new Chelated Breeder Mineral is formulated to be fed beginning 30 days prior to calving and through the breeding season. Benefits of feeding this product include improved conception rate, boosting a calf's immune response, and aiding in prevention of retained placentas.

What's so special about the Chelated Breeder Mineral? First, chelates are trace minerals in their organic state—that means they're more available to be absorbed by the animal. The vitamins in this product are elevated, helping with the immune system of both the cow and calf. Better yet, while many of our competitors' products claim to have 10% of chelated minerals, our Chelated Breeder Mineral boasts 60%.

There's more—we're formulating this mineral product at our own facility with Zimpro-brand minerals. We can customize this—or any of our mineral products—by adding Bio-Mos[®] colostrum enhancer, which aids in prevention of E-coli, or CTC, Suppli-Mix[®], Bovatec[®], or Rumencin[®].

Take advantage of promotion

If you need an additional reason to try our new Chelated Breeder Mineral, we've got one. We're offering a free Farmers Ranchers spring jacket with every two tons of mineral purchased at the special spring price of \$766/ton. Delivery is available from our locations at Ainsworth (402-387-2810), Springview (402-497-2020), and Valentine (402-376-3045). Call any of those locations to find out how to qualify for free delivery. ■