



# Central Prairie Co-op

*Today's Technology, Yesterday's Values*

# NEWSLETTER

SUMMER 2017 • [WWW.CPCOOP.US](http://WWW.CPCOOP.US) • 800-238-1843

## CHANGING FOR THE BETTER— THAT'S ALWAYS OUR GOAL

ORVILLE MILLER, BOARD PRESIDENT



Change can be hard. But change is also necessary, and usually turns out to be good for everyone in the end. As we begin our fourth

year of operation as Central Prairie Co-op, we observe a lot of change. Some changes we have liked, while others have seemed more difficult because it felt like we were losing something. Our employee group, which is now over 100 people, has learned to work together for the greater good of the company. New equipment and technology have allowed us to cover more acres per day and be more efficient in the process. Every year brings new challenges and new opportunities.

Through all the change, our goal is to continue to provide you with the products and services you have

come to expect from CPC. Competition is fierce, and margins are tight, but we believe the cooperative model still provides the greatest benefit to you, the producer. Thank you for trusting us with your business these past years.

### Merger talks continue

As your board of directors tries to make strategic plans for the future, we regularly remind ourselves that protecting your equity is our priority. Future mergers seem both inevitable and wise. The size of farms is trending upward, while the numbers of farmers are trending downward. Meeting the needs of these larger operators is an ongoing challenge. Several surrounding cooperatives have indicated a desire to pursue the idea of merging with us. These discussions are preliminary, although some have been going on for more than a year.

**CONTINUED ON PAGE 2**

### Opportunities Still Exist During a Down Grain Market

See page 7 for details.

# CHANGING LANDSCAPE OF KANSAS COOPS



**JOE SCHAUF, GENERAL MANAGER**

In 1950, there were 350 farm cooperatives in Kansas. By September 2016, that number had fallen to 77, and it is likely to continue in that direction. Here are just a few of the recent mergers:

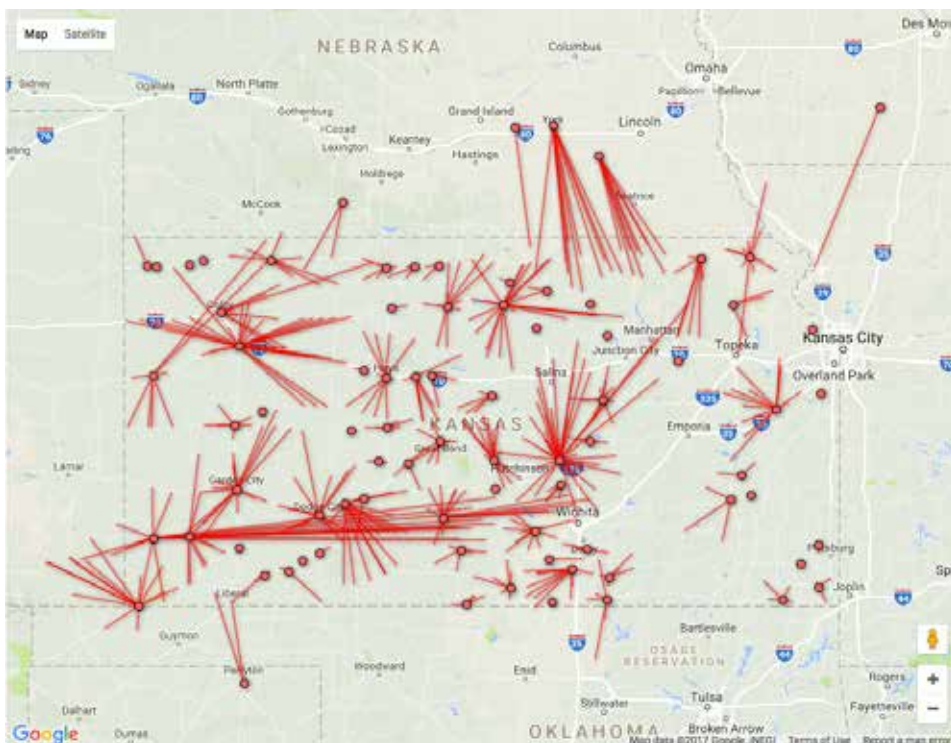
- Farmway Co-op in Beloit will vote within the next few weeks to merge

with Central Valley Ag (CVA) of York, Nebraska

- AGCO in Russell voted to merge with Great Bend Co-op effective Aug. 1.
- Caldwell Co-op merged with Farmers Grain Company in Pond Creek, Oklahoma.
- Woodson County Co-op in Yates Center, Severy Co-op and Fredonia

Co-op merged in late 2016 to form a southeast Kansas co-op known as SEK Co-op.

- Farmers Co-op in Ashland, Right Co-op in Mullinville and Southern Plains Co-op in Lewis merged in early 2016 to form Alliance Ag and Grain based in Spearville.
- Farmers Co-op in Wellington and Danville Coop merged in late 2016 to form Progressive Ag Coop known as PAC.
- Andale Farmers Co-op merged with luka-based Kanza Co-op in January 2016.



**The Arthur Capper Cooperative Center has a fascinating interactive map showing the current co-ops in Kansas. For a closer look, visit [www.accc.k-state.edu/map.html](http://www.accc.k-state.edu/map.html).**

At CPC, we're no different than the rest of the co-ops. Your board is visiting with other co-ops about possible mergers or joint ventures to see if there's something that would work in the future for us.

## Where to find interesting facts about co-ops

The Arthur Capper Cooperative Center at K-State offers interesting insights into the evolution of co-ops in our state. If you want to learn more, visit [www.accc.k-state.edu](http://www.accc.k-state.edu).

For local information, check out CPC's website and a timeline showing our progress from 1911 through today: <http://www.cpcoop.us/departments/history/>.

## CHANGING FOR THE BETTER

**CONTINUED FROM PAGE 1**

### Giving for the good of our communities

Central Prairie Co-op continues to invest in your communities by giving matching grants to local organizations that are meeting needs in rural

communities. In the past year, this included the Kids Cove after-school program in Sterling and the Kids Krossing with a similar program at Nickerson; the Northern Rice County Food Bank; the Sterling Food Bank; the American Legion of Mount Hope; and the Central

Plains and Haven FFA chapters. When you support CPC in your local setting, you, in turn, bring life and hope to your community. Consider it your investment in local jobs and infrastructure. ☺



# A GOOD PLAN FOR 2017: DOUBLE-CROP SOYBEANS AFTER WHEAT

BRENT WERTH, SEED SALES & TRAIT MANAGER

**Start early.** The first step in a successful double-crop soybean production system begins with residue management during wheat harvest. Selecting later flowering soybean varieties improves the chances for the double-crop soybeans to produce adequate foliage and fill pods before frost. Controlling insects, diseases and weeds improves the double-crop soybeans' ability to produce anticipated yields in a shortened growing season.

**Identify challenges.** Planting soybeans behind wheat presents the farmer with several production challenges. A shortened growing season, unpredictable weather and weeds that can grow rapidly under hot and dry conditions, can slash double-crop soybean yield potential.

**Plant as soon as possible.** In order to salvage as much of the growing season as possible, plan to plant immediately behind the wheat combine. To aid in soybean plant emergence, combines should take advantage of straw choppers and chaff spreaders to minimize uneven residue buildups.

**Select the right soybeans.** One key to achieving significant plant growth is planting a later maturity soybean variety rather than planting for a full-season crop. In our geographic location, a 4.1 to 4.8 maturity is optimum. Also, when following a wheat crop that has had a sulfonyleurea herbicide applied, soybeans with an "SR" label (commonly known as an "STS" package) need to be used.

**Disease and insect management.** Because double-crop soybeans are planted late in the growing season, plants may face more disease and insect pressure at earlier growth stages than full-season soybeans. Selecting soybean products with good disease resistance, and seed treated with an insecticide and fungicide, can help protect the vulnerable crop.

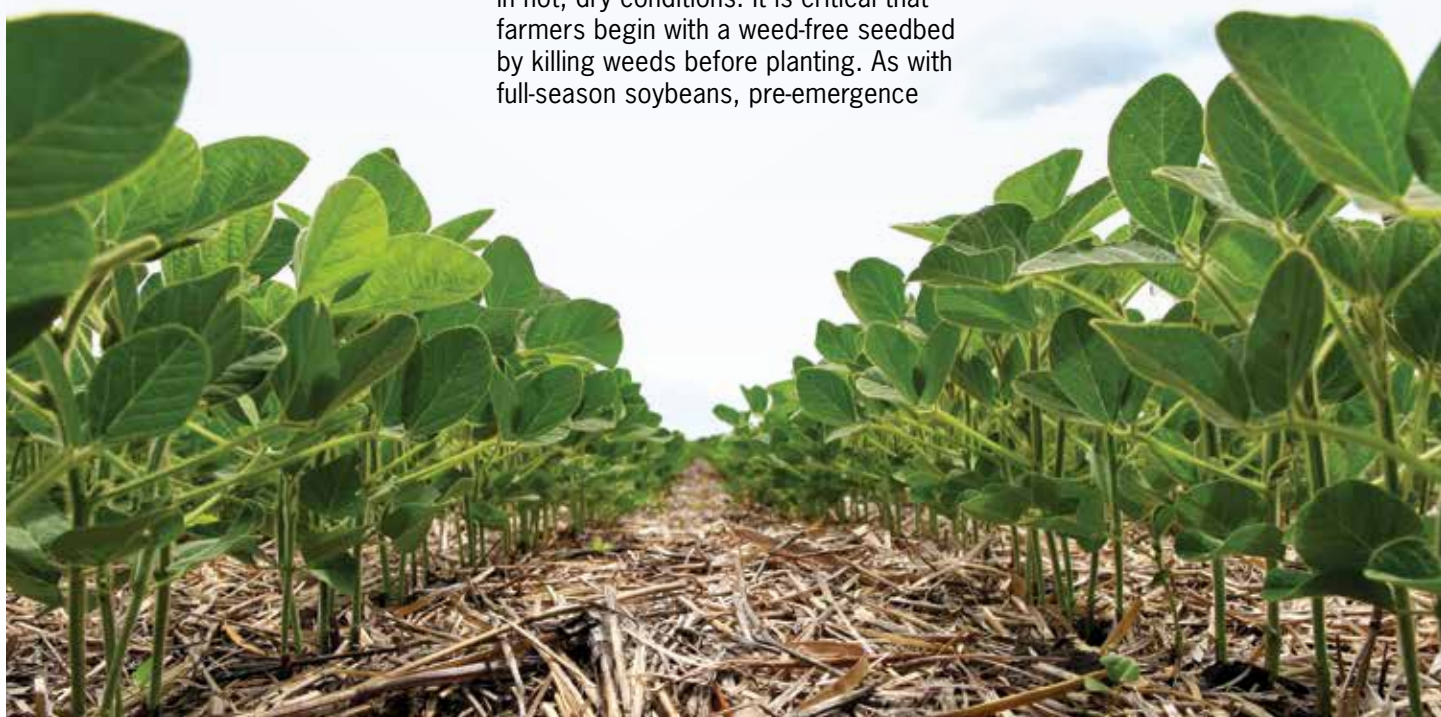
**Start with a weed-free seedbed.** The same environmental conditions that can encourage rapid double-crop soybean germination can also stimulate rapid weed growth. Some of our difficult-to-control weeds, like Palmer amaranth, can grow very quickly even in hot, dry conditions. It is critical that farmers begin with a weed-free seedbed by killing weeds before planting. As with full-season soybeans, pre-emergence

herbicides should be used to prevent weeds from growing.

**CPC has the know-how to help with your double-crop plan**

Your CPC agronomy department can aid you in each step of a successful double-crop soybean experience. With the addition of the Roundup Ready 2 Extend® soybeans this year, a new tool is available to aid in the glyphosate-resistant weeds we are experiencing. These, along with the Roundup Ready 2® and Liberty® soybean choices, will give you more options to fit your needs. We recommend planting an additional 15,000 to 20,000 soybeans per acre more than the full-season rates due to the high-residue environments. We can help you produce more bushels per acre, which is the ultimate goal.

Please feel free to call me if you have any questions at 620-422-3485 (office) or 620-921-5713 (cell). ☺



# NEW WAY TO CONTROL HEAT STRESS IN CATTLE

VERTON MILLER, FEED DEPARTMENT MANAGER



Though we had some chilly days in early May, heat is just around the corner. That's why I want to introduce you to a product for controlling heat stress this summer.

XTRACT® is a capsicum product that modifies VFA production in the rumen by increasing propionate and decreasing acetate. XTRACT enhances the efficiency of protein metabolism by reducing the rumen deamination process. Plus,

XTRACT can replace ionophores—keeping the same levels of performance and reducing rumen damages!


If you would like to talk about how XTRACT can help your herd this summer, call me at 620-665-5575, or stop by my office in Hutchinson. ☺



# JUNE IS DAIRY MONTH

The dairy industry in Kansas is more than just milk. It brings jobs and economic activity for the people of our state.

## Kansas Dairy Facts

**151,000** 

Approximate number of dairy cows in Kansas

 **7**

Gallons of milk produced in a single day by an average dairy cow in Kansas

**379,000,000**

Gallons of milk produced in Kansas in 2016 (approx.)

**16**

The state's rank for U.S. milk production

Source: <https://www.kla.org/kansasdairyfacts.aspx>



# MAKE SURE YOU'RE ALL SET FOR SOYBEANS

ALLEN SHIVE, AGRONOMY DEPARTMENT MANAGER

Soybean planting will soon begin in earnest, and it's an excellent idea to apply your pre-emergent herbicides with your burndown applications. This will reduce weed competition in case unforeseen events postpone planting. Or, you can follow the planter or drill in tillage situations to put another mode of action out on your acres. Available products include Warrant™, Fierce®, Fierce XLT, Valor® SX, Valor XLT, Authority® XL, Authority First, Authority Elite, Authority MTZ, Prefix or BroadAxe® XC.

## New soybean platforms may require a little patience

Due to the different soybean platforms in our area, we'll be asking a lot more questions. This will help the grower know what his neighbor is planting for soybeans. With Xtend®, LibertyLink® and RR2 soybeans, we will need to have as much information as we can ascertain before we send a sprayer to the field. These are great tools to have in our toolbox, and we want to keep it that way. We ask for your patience as we work to stay informed and avoid any misapplications.

**Scott Jones, agronomist, and Macy Stephen, bookkeeper, enjoy the remodeled office at Adams Corner.**

## New employees join the CPC agronomy team

After interning with us last summer, Zac Lee has accepted a full-time position as an agronomy salesman stationed at Adams Corner. Shannon Schwartz has accepted the position as location manager at Sterling Hub. Chris Savage will become operations manager at Sterling Hub. Kelly Fountain has accepted the position as operations manager at Adams Corner. All have

years of agronomy experience and will position CPC well for the future.

If you ever have questions or concerns, please feel free to contact me or any agronomy staff member. We strive to be competitive and bring a lot of knowledge to your farm. We are excited about the upcoming summer season and wish you a safe and bountiful wheat harvest. ☺



## Non-ethanol gas is available...

### ... at the pump in Hutchinson.

Some people prefer non-ethanol gasoline for small engines. CPC carries non-ethanol gasoline at our Hutchinson location only.

### ... for bulk farm delivery.

Just call us and specify whether you want E10 or unleaded. Be sure to ask about price. Non-ethanol tends to run about 20¢ cents per gallon higher than ethanol blends.

# YOUR “TO-DO” LIST BEFORE HARVEST



LEE BURGESS, GRAIN DEPARTMENT MANAGER

With wheat harvest just around the corner, now is a good time to come in and make sure we have all your grain accounts

correct. TMA is busy moving grain out to make room for this wheat harvest. Please make sure there is a good line of communication between you and the location where you plan to deliver grain so we can make sure we are here when you need us.

If you have not signed up for TMA grain patron access, I encourage you to do so. This allows you to see grain balances in your account the day after delivery. Patron access also helps you find mistakes in case any grain was delivered under the wrong account. Sign

up by going to TMA's website, [www.tmagrain.com](http://www.tmagrain.com). Click on the red Patron Access button, then on the New Account Request and follow the prompts. Signing up for direct deposit (ACH) on grain sales is another handy service TMA offers.

## Storage rate change

Please note that the storage rate for wheat will change to .05¢/bu per month starting on June 1. This is up from the .04¢ that we had been charging for wheat. Any storage accrued before June 1 will stay at the .04¢ rate; storage after June 1 will be .05¢. All other crops changed to .05¢ last fall.

## Ready for your canola

Our CPC location at Whiteside will take canola again this year. It's import-

ant to note that 10% moisture is ideal for canola. The maximum moisture allowed is 11%; canola over 11% will be rejected. All canola is sent to the State of Kansas to be graded. We can price your canola, but we can't write a check until grades have been recorded. Canola needs to be priced when delivered or put on a delayed pricing contract. Special request: If you could give us an idea of how many acres of canola you are planning on bringing us, that will help us preplan with TMA.

We hope you'll make CPC your first choice for delivering your grain. Without it coming across our scales, we would not be able to make facilities improvements as we strive to give you the best service possible. Thank you, and I hope everyone has a safe harvest. ☺

Canola grows in a field west of Nickerson.

## STAFF PREPARES FOR BUSY SEASON

### MAX MOBLEY, OPERATIONS MANAGER

Over the winter, CPC staff stayed busy enhancing facilities, improving procedures and putting your co-op in the position to serve you even better in 2017. Here are a few of the things we accomplished.

### Facility improvements

- ✓ New grain probe at Sterling to speed up truck line
- ✓ New railings at Geneseo to protect employee safety
- ✓ New roof on one of the grain tanks in Nickerson
- ✓ New concrete pads for the hoop shed in Chase
- ✓ New security cameras installed at nearly all sites
- ✓ Improved maintenance at all sites

### Training

- ✓ Preventative maintenance education
- ✓ Elevator operator training with an emphasis on preventing breakdowns during harvest
- ✓ New manager and grain quality training
- ✓ Safety training at all levels

Over the last three years, CPC has experienced a significant reduction in reported injuries. We continue to make safety a priority—for both CPC employees and the customers we serve.



As we head into harvest, here are a couple of notes for farmers and truckers delivering grain to CPC:

Please inspect grain trucks and look for treated seed, rodents, tools or anything else that doesn't belong. Dumping any of these items can bring unloading to a halt—affecting not only you but also the CPC customers behind you.

Also, please be careful! Make sure truck drivers watch for children, customers and other trucks when approaching and departing our locations. We want to get you in and out quickly ... but safety is always our priority.

Thank you in advance for bringing your bushels to CPC. It means a lot to our company and our employees that you choose to do business with us during harvest.



# OPPORTUNITIES STILL EXIST DURING A DOWN GRAIN MARKET

TED SCHULTZ, TMA CHIEF OPERATING OFFICER



Commodity prices for grains may not be what many are currently hoping for, with prices below break-even in many cases. Markets have switched from demand-driven to supply-driven because of the abundance of grain stocks we have seen around the world. So, the question to ask yourself is: What opportunities exist in this environment?

A common opportunity many consider is to raise products not oversupplied in place of those which are. Cotton has taken the place of many acres in the southern U.S. as prices for cotton and demand has been relatively strong over the past several years. Soybeans and canola continue to manage more demand around the world as economies continue to improve. These crops take more agronomy expertise and fertile ground to grow. Prices have remained at levels that allow profitability in most markets. A growing number of farmers in Kansas are even considering the possibility of growing industrial hemp.

Identity preserved (IP) crops are also a possibility as you grow a particular type or quality of a crop. Some examples of IP crops grown for food grade include sorghum, corn nuts, Durham wheat, milling quality wheat, corn enzyme technology and high-oil sunflowers. IP crops are often restricted by

the amount end-user demand, as it is usually very specific.



Livestock production is another opportunity many producers use to offset crop prices. An opportunity exists in protecting both grain and livestock prices while they are at profitable levels and managing your risk for the current and future seasons.

Sharpening one's skills in risk management can also be an opportunity. Many producers did not immediately worry about the decline in prices because they had forward coverage at profitable levels for the current and future crop years. Profitable levels are often a result of a combination of understanding marketing options, utilizing crop insurance and determining what the most profitable crop is. The longer we remain in a supply-driven market, the more critical understanding your options on these three factors are.

The opportunities above are all based on one's willingness to change and adjust to the future. What will the producer look like in 5, 10 or even 15 years? Willingness to change and adapt to the future is the foundation of what farmers of the future will need to possess. ☺

## NEW CENEX® OIL OPTIONS COMING SOON



GORDON ROTH, FUEL DEPARTMENT MANAGER

We're entering a new era of lubricants, starting with these three:

- **Cenex® TMS®** 15w40 motor oil

will have a new API classification: CK-4 will replace CJ-4. This new oil is backward compatible—meaning it will work with older equipment.

- **FA-4** is coming soon, and it is NOT backward compatible. The container will look different and more than likely, it will be 10w30 or 5w40 for easier starting. ALWAYS LOOK AT THE OWNER'S MANUAL to see what your equipment requires.

- **Maxtron® DEO** 10w30 (synthetic) or 15w40 (semi-synthetic) will also be available. This oil is a little less expensive than the full synthetic 5w40. (If it has the Maxtron name, it is semi-synthetic or full synthetic. This includes gasoline oil, diesel oil, gear lubes and greases.)

We have both conventional oils and synthetics on hand in most locations. If your local CPC site doesn't have the oil you want, please let them know or call me in Nickerson at 620-204-1525 or 800-861-3207. We want to make sure you're using the correct product for your equipment.



The CPC energy team appreciates your business!

Alex Peters, Certified Energy Specialist  
Keona Jordan • Danny Schmitt  
Tim Adams • Lance Buckman  
Rex Norquist



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### Congrats to CPC employees celebrating milestones in 2017:

**Chase Algrim**, rig operator  
at Adams Corner, 5 years

**Eric Vedder**, location manager  
at Lorraine, 5 years

**Jeff Olsen**, feed mill manager  
in Sterling, 5 years

**Joe Schauf**, general manager,  
10 years



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## FEATURED LOCATION: STERLING FARM STORE AND ELEVATOR



**DAVID LOCKHART, LOCATION MANAGER**

**Hometown:** Faxon and Chattanooga, Oklahoma. Helped with all aspects of the family farm, raising wheat,

cotton and cattle.

**College:** Received an associate degree in diesel mechanics from Oklahoma State University, then continued on to receive bachelor degrees in animal science and business.

**Career:** Worked in feed sales and formulations in Oklahoma. Then took a job at a co-op and never looked back. Prior to joining CPC, David served as the general manager for a co-op in Sentinel, Oklahoma, southwest of Oklahoma City.

**Family:** Married to Julie, who grew up in southwest Oklahoma. They have a son, Mason, age 10, and a daughter, Emma, age 7. Both attend Sterling schools.

**Impressions of CPC:** "It's a really good operation. I like that I can see the future in our co-op. We are growing and well organized."

**Thoughts about Sterling:** "When I came to Sterling for my job interview, I took a picture of Broadway and sent it to my wife. Her only impression of Kansas prior to that was from a short time when we lived in Garden City—so she was very pleasantly surprised!"

**Activities:** Bought a 100-year-old house on Broadway in Sterling, which

takes up a good share of spare time. The family is very involved in Cross-Point Church and plans to go camping, boating and fishing this summer. (



**"Zeb" is an Australian Shepherd owned by Greg Farney, CPC feed consultant. Zeb comes into work every day at the Sterling Farm Store and finds a comfortable place for a nap.**