



Central Prairie Co-op

Today's Technology, Yesterday's Values

NEWSLETTER

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UPDATES PLANNED TO HELP YOU SUCCEED

MARK ENGELLAND, BOARD CHAIRMAN



In times of narrow profit margins in farming, the board of Central Prairie Co-op is working to provide ways to help producers

be more successful. Because when farmers are profitable, the co-op is profitable.

For example, we're adding new risk management programs such as fuel contracts and options, as well as upgrading technology at fuel sites to improve efficiencies. We're also expanding our operations in the Little River area. (See article on page 7.)

Another technology the board is excited about is in the grain department. We've purchased a grain conditioner that will automate the process of maintaining grain quality and reducing loss. Plus,

this technology has the added benefit of reducing the amount of insecticides needed to treat the bins for bugs.

Enhancing technology

We continue to look for opportunities to increase efficiency while maintaining the high level of service that CPC seeks to provide. This includes adding an anhydrous plant at the Sterling Hub to better utilize our facilities there. (See article on page 6.) This will save substantial money and will be much more efficient for filling and weighing of tanks—with on-site staff available to assist customers. The new plant will also help us keep in compliance with government regulations.

We are constantly seeking knowledgeable employees who can provide our patrons with high-quality products backed up by great service. We'll continue to look for ways to do things that will enhance the profitability of all CPC patrons. (

Lorraine Set for Update After Fall Harvest

See page 5 for details.



BOARD MEMBERS MAKE A DIFFERENCE FOR YOUR CO-OP



JOE SCHAUF, GENERAL MANAGER

As I visit with our co-op managers about board of directors positions, there remains a consistent theme: It is becoming

increasingly challenging to find members willing to fill positions.

As a manager, this can be frustrating. There are always members who are willing to share with management their views and concerns on different matters. One would think that if they truly want to see changes in different areas, they would be willing to share their ideas with their peers in a boardroom once a month. After all, this is your co-op. It is your equity that is at risk. Please consider running for the CPC board of directors next May at our annual meeting.

Welcome two new board members

Jenny Burgess and her husband, Geoffrey, co-own their farm west of Nickerson—with land in both Reno and Rice Counties. They have two children, Dillan and Jessica. Jenny is very active in the agriculture community. In addition to her duties on our co-op board, she volunteers on the Reno County Farm Bureau Board and is currently a volunteer for Kansas Common Ground. She also writes for Kansas Living Magazine, AgDaily, AgChat Foundation, the Progress section of The Hutchinson News, Pink Tractor Magazine and her own blog.

Dan Johnson and his wife, Sherry, are the fifth generation to live and farm on their place between Lorraine and Holyrood. They have three adult daughters. Dan graduated from K-State with a degree in agronomy, and worked for a few years in the wheat breeding and research industry before returning home to farm. Dan is also very active in the agriculture industry, having served on the county

Farm Bureau board, the FSA county committee and the Ellsworth County Extension board. He is currently the chairman of the Midway Extension District Board, treasurer of Valley Township, and is a trustee and council chairman at the Bushton United Methodist Church.

I want to thank Jenny and Dan for volunteering to serve on the CPC board of directors. They both bring valuable experience to the board.

Looking ahead

Your board of directors has approved a few major projects, including a new NH3 plant at the Sterling Hub. With the addition of this new plant, we will be closing our plants at Lyons, Saxman and in Sterling. Several of our bulk NH3 tanks are old railcar tanks, and would have to be removed from service by 2022. So, this is

a good time to close these plants and get them out of town. Our new plant will make the operation more efficient overall. I know it will create some inconvenience for some of our members, and I apologize for that. But I do believe the new NH3 plant will improve our service long term.

Another major project will take place in Lorraine, as we will replace the outside pit and repair the leg. The old pit is caving in, and the leg was damaged in a windstorm a few years ago. We have been praying that it would hold up until we could get it repaired. See Max Mobley's article on page 5 for all the details about this project that will start right after fall harvest.

As always, we thank you for your business. Feel free to contact me at 620-278-2141 or jschauf@cpco-op.us. ☺



New CPC board members Jenny Burgess and Dan Johnson

HOW TO MAKE MID-SEASON DECISIONS ABOUT WHEAT STAND

BRENT WERTH, SEED SALES & TRAIT MANAGER



When winter wheat begins to come out of dormancy, the biggest concern on many growers' minds is winter survival. Between growers who planted too early, resulting in too much growth too quickly, to those who planted later and were met with little to no precipitation, there are a lot of fields across all wheat-growing states that may have stand issues.

Replant or power through the season?

Following are four steps to help you assess stand and make mid-season decisions for winter wheat.

1. Test for Winterkill.

To test for winterkill damage, dig up a few plants and bring them inside to warm up. Place the plants in a bucket or tub and apply water. If the plants quickly green up, it's likely not winterkill—just plant tissue burn and dehydration. If the plant does not respond, it may have suffered winterkill.

Another way to determine if plants are healthy is to remove some sample crowns from the field, place them in a closed plastic bag and leave them in a warm room. If the crown has a brownish or dry appearance, that's cause for concern. Crown tissue that is severely damaged will quickly turn brown, while healthy tissue remains white.

2. Determine plant population.

Growers can determine plant population by doing stand counts. Observe three feet of a row in various locations throughout the field. Then count the number of plants in the three-foot length and find the average of the different counts. Multiply that number by four, then divide by the row width, in inches, to determine the number of plants per square foot. Ideally, this number should be in the range of 23 to 30 plants per square foot. However, anything from 15 to 22 plants per square foot can potentially bounce back to reach maximum yield potential.

3. Evaluate number of tillers.

Stand issues can be overcome if heads per unit are higher than average, because a thinner stand that has a lot of tillers per area can still compensate. Tillers are the ancillary stems that branch out from the main stem. Some varieties will not tiller profusely, so it is wise to understand how much different lines can compensate.

To determine the number of tillers, repeat the same process used to determine plant population—this time counting both the tillers and the main stems. As a rule of thumb, you need more than 60 tillers per square foot for a viable crop.

4. Make a decision.

Once you've observed the three conditions above, it's time to decide your next steps. Here are your options:

- If winterkill damage is in an isolated area or is a relatively small percentage of the field, it's recommended to let the spring play out.
- If winterkill has occurred uniformly across the field, you may need to spray nitrogen in the spring to stimulate tillering. This application should occur as soon as the plant breaks dormancy for maximum effectiveness. When plants suffer from winterkill, it leaves open area for increased weed pressure. Consider making an additional herbicide application to control early-emerging summer weeds.
- If large areas are affected, it may be more lucrative to abandon the crop and replant. Before making this decision, talk to your CPC agronomists. We can help you understand any herbicide carryover that may damage a replanted crop. Also, prior to removing a crop, contact your crop insurance company to determine your options.

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

EQUAL VERSUS EQUITABLE



TED SCHULTZ, TMA CHIEF OPERATING OFFICER

It is the responsibility of the country elevator system to provide a fair price for the quality of grain delivered

to that location. Fair is a matter of perception in almost all situations. I like to view fair from an equal versus equitable standpoint when looking at our business. Two events which really trigger conversations about equal versus equitable are differential grain pricing and grain discounts.

Differential grain pricing is a function TMA uses to determine the cash value of grain at different locations. The value is determined by taking the futures price, and subtracting the freight and margin to the best market for that location.

Other factors affecting price in an area can be quality and competition. Ultimately, the process is to give each producer who sells grain at that location an equitable value for the

grain they are selling.

Many companies across our state have multiple locations and provide the same grain price for producers from all sites. Paying the same price at all locations and basing the price paid off an average is very equal to all producers receiving payment.

Under this system, producers who deliver to a location closer to the ultimate market are subsidizing those producers who deliver to a location farther away. Neither method is right or wrong. TMA has decided on equitable versus equal.

A hot topic of discussion this harvest season has been aflatoxin. Although we often talk about one specific issue, the real discussion is about grain grading and discounting procedures at our elevators.

When grain is delivered to our elevators, the grain is inspected for quality concerns and discounted similarly to how our buyers are

discounting TMA. A common misconception occurs due to blending or selling to the right market. Some feel these discounts can be avoided and they should not be charged. It is true that blending allows an elevator the opportunity to minimize discounts. But keep in mind that there is expense involved in blending, versus producers who deliver grain without discounts.

The same can be said for grain sold to a particular market to avoid a discount factor, as this may not be the market the location is bidding from. The discount is necessary to make up for the lower price at the market TMA is forced to sell to.

Discounts make the purchasing of grain equitable to all producers. A pricing structure of equal versus equitable would encourage the delivery of poorer quality grain or penalize those who haul grain meeting specifications of the highest quality. (

MAKING THE MOST OF A TOUGH MARKET



LEE BURGESS, GRAIN DEPARTMENT MANAGER

With the way the markets are, it's important to utilize the TMA field merchandisers and insurance agents. They have a variety of risk management tools available to you in these times of low commodity prices.

For now, we don't see anything in the near future that's going to spark a change in the markets. TMA's plan is to hold as much wheat as we can, as long as we can, to capture the carry in the market.

The CPC locations with excess space are jammed full of wheat. This includes about 600,000 bushels of wheat in the Sterling elevator, as well as a full concrete elevator and flat storage in Bushton.

I also want to point out the advantage of having TMA train loaders in Sumner county and Canton. Earlier this fall, they sent a trainload of wheat to the Gulf that got shipped out to Nigeria. That's an example of the markets we couldn't hit without the train loaders. (

LORRAINE SET FOR UPDATE AFTER FALL HARVEST

MAX MOBLEY, OPERATIONS MANAGER

When fall harvest wraps up, construction will begin on a new pit in Lorraine, along with major repairs on the leg. This will speed up the operation—and will be complete in time for wheat harvest.



New Lorraine pit by the numbers
27' x 10' dump area—enough to dump both hoppers of a semi at once

150 tons of sand and backfill will be added to stabilize the site for the new pit

2,200 square feet of new rebar-reinforced concrete

CPC makes grain quality a top priority

As a result of several weeks of hot days and humid nights during the summer, we took in a lot of corn with quality issues, including aflatoxin and diplodia (cob rot). Our elevator teams will be busy this winter protecting the good-quality corn, and stopping the spread of problems from corn with quality issues.

We're also increasing training this winter, with classes focused on preventative maintenance and hands-on repairing so we don't have to contract out to a millwright. This will save CPC money, and get us back up and running faster, if a site ever goes down. ☺

REMINDER

Please don't deliver any treated seed to the pit! We can't take even a single seed of it.

ACCOUNTING NEWS

DAVID CORNELIUS, CONTROLLER



- In July, we retired some equity and paid back approximately \$340,000 to CPC members. This was the first time since the merger for these payments, so we're glad to get back on track. CPC is in a strong financial position, and we hope to continue these yearly payments.
- In September, we sent out DPAD (Domestic Production Activities Deduction) notices. This is an amount we get as a co-op that we can pass back through to the members. Your DPAD reduces your taxable income, **but it is not a tax credit.**
- In January, you'll receive a 1099 form showing the amount of patronage you received, which is taxable income. The DPAD amount will also appear on your 1099.

If you have questions about patronage or other accounting matters, please call the accounting department at the main office: 620-278-2141. ☺

PLAN NOW FOR GREEN GRASS NEXT SPRING

The chill in the air the last few days is a reminder to start thinking about putting lawns to bed for the winter, and taking the next step in the "Ultimate Lawn Care System." It's time to apply All Seasons Fertilizer. Then, in early November, a Winterizer application will prepare plants for winter and promote tough turf. Stop by our locations in Hutchinson and Sterling to find out more about these pre-winter products for your lawn. ☺



ANNOUNCING A NEW FEED PARTNERSHIP WITH THE YODER ELEVATOR



VERTON MILLER, FEED DEPARTMENT MANAGER

We are excited to announce our partnership with Stan Troyer at Yoder Elevator—now offering the convenience of Central Prairie Co-op feed at his location. They will carry feed for dairy and beef cattle, along with feed for your chickens, dogs, horses and swine. Stan offers FREE local delivery on Wednesdays. Plus, he can bring in anything you need from our Hutchinson location. Stop in and see what Stan has to offer, or call him at 620-899-1145.

Congratulations to 4-H winners

It was another great 4-H and State Fair show season, with many of our customers winning championships at their local 4-H Fairs, as well as the Kansas State Fair. We felt like we were on the “4-H Fair tour” in July and August as we supported the premium sales in Rice, Pratt, Kingman, Harvey, McPherson and Reno counties. I enjoy the opportunity to go out and support our customers, and see them in action with their animals. When you watch our local 4-H members compete and show their animals, I think our agricultural future looks very bright. ☺



Sydnee Shive (left) and Grace Shive (right) with their Reserve Champion Chi Steer at the Kansas Junior Livestock Show

NEW OPPORTUNITIES AS WE EMBRACE CHANGE



ALLEN SHIVE, AGRONOMY DEPARTMENT MANAGER

The one constant in our business is change. After the summer of 2017, there is no truer statement—with low commodity prices, roller coaster input prices, very little rainfall, dicamba, etc. Agriculture in our modern era is not for the faint of heart. What makes me excited and keeps me driven is that we have a great cooperative, an awesome group of employees and fantastic growers who make tackling these challenges and adapting to change much easier.

New NH3 plant taking shape

Continuing on the subject of change, we are in the process of building a new NH3 plant at our Sterling hub location. When complete, the NH3 plants located in Sterling, Saxman and Lyons will be combined into one modern efficient plant that will put us in a much better position to serve CPC members. New regulations, safety concerns, logistics and planning for the future were key drivers in making this decision.

We also have a new sales agronomist. Nate Pitts will serve the Bushton Agronomy Hub—covering trade areas where we have the potential to grow. Nate graduated from K-State this past May, and is looking forward to meeting and working with CPC growers.

There are still some excellent opportunities to lock in seed with early-order discounts and great financing deals. Please give me, or any of our agronomy sales staff, a call. We're happy to visit with you about the many options available. ☺



New sales agronomist, Nate Pitts

CHANGES IN THE ENERGY DEPARTMENT

New Fuel Department Manager

CPC welcomes Emily Haas, our new fuel department manager. Emily grew up in western Nebraska, where she started her career as a gas attendant at the local co-op. Her career path includes management roles in petroleum departments at co-ops in Nebraska and Colorado. Emily and husband, Ryan, have three children: Cole, 20; Isabelle, 16; and Tucker, 8. Emily appreciates being part of the small communities served by CPC. Give her a call any time at 620-422-3207.



New Certified Energy Specialist

Wyatt Mobley grew up in the Hutchinson area, and graduated from Nickerson High School. After receiving his marine power certification at Northeast Technology Center in Afton, Oklahoma, he worked in marine power technology on Grand Lake for 13 years. He's excited to be back in Kansas near family. Wyatt and his wife, April, have two daughters: Emily, 11; and Lakynn, 2. If you haven't met Wyatt, give him a call at 620-278-6620.



New location in Little River

Effective Sept. 1, CPC acquired Fry Oil in Little River from Loren and Beth Myers—who plan to retire after 30 years owning the business. Loren will be staying on with CPC as the bulk fuel delivery driver through the transition period. The existing key-trol pumps will soon be converted to a card-trol system, giving area residents the only card-trol pay-at-the-pump fuel between McPherson and Lyons. The Little River location will carry Cenex® petroleum products and will offer access to the Cenex Automated Fuel Delivery (AFD) consumption billing program. ☺

**CPC now owns the former
Fry Oil in Little River.**





Today's Technology, Yesterday's Values

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WINTER HOURS

These CPC locations will be
OPEN on Saturdays,
December through February:

Hutchinson
Sterling Farm Store
Sterling Fuel Station
Lyons

The remaining CPC offices will be closed
on Saturdays, December through February.



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FEATURED LOCATION: ADAMS CORNER

CPC's southern agronomy location at Adams Corner has 12 full-time employees and provides service to seven Kansas counties. Our staff handles all bookkeeping for direct fertilizer, lime and seed for the entire CPC agronomy department, along with scheduling delivery of direct fertilizer and lime.

Adams Corner has three Case IH Patriot® liquid applicators—all with AIM Command® technology, allowing us to minimize over-application. For dry application, we have a Case IH Flex-Air™ air applicator and dry spinner truck—giving us the ability to apply products using variable rate. We started offering variable-rate application in 2012, and the service has grown ever since. Contact our sales staff to learn more about variable-rate application.

Adams Corner also uses John Deere AgLogic™ to track work orders and monitor locations of application equipment and tender trucks—greatly improving logistics and efficiency. Ask us about having AgLogic send you automated texts or emails when orders have been completed.

About the manager: A native of eastern Iowa, Bryan Sieren studied agribusiness in college, then joined Pioneer—where he met his future wife Mandi, a fellow Pioneer employee and a native of Cunningham, Kansas. The couple now lives in Turon, and has two children: son Case, age 3; and daughter Kinze, 6 months. ☺



Manager Bryan Sieren

