If you look at any successful company or farm, a clear trend will emerge: the owners make strategic business choices over time, rather than relying on quick fixes. These various layers contribute to the success of the whole enterprise, much like the layers of a cake work together to create something remarkable.

Building on layers of success also guides your cooperative. Your board of directors and First Cooperative Association (FCA) managers take the long view as we build on layers of success. Many of these layers have been put in place the past few years, including the Sands of Iowa acquisition. More layers of success were added when Farmers Cooperative Elevator in Kingsley joined FCA in July, followed by Farmers Cooperative Company of Paullina, Granville and Hospers in September. These acquisitions have been going well and are helping your cooperative grow and remain competitive. Now we’ve added another layer of success with the purchase of the propane division of Rick’s Tankwagon Service Inc. of Larrabee. This change became official on Feb. 1. FCA has retained Randy Hanson as the delivery/salesman. Read more about this new opportunity on page 5.

Layers of success also mean investing in the future of agriculture and rural Iowa. We’re pleased to once again offer 15 $500 scholarships for college-bound high school seniors whose parents are a Class A member or employee of FCA. Find all the details on page 8.

As we look to the future, we’re encouraged that 2017 should be better for our local farm communities. No matter what happens, count on FCA to build on layers of success, work hard to earn your business and look out for your best interests. That’s the icing on the cake when you’re a co-op member. Thanks for your continued support of FCA.
It’s good to see so many area farmers doing things right. Many of you have seen the value of fungicides and put them to work on your acres. You’re also applying the right amount of nutrients to feed the crop appropriately, which is especially important after a high-yield year like 2016.

Be sure to protect your nitrogen investment going into spring. Contact your local FCA agronomist for details about how a nitrogen stabilizer can work for you this spring to protect your crop’s yield potential and help protect Iowa’s water quality.

Court rules against Des Moines Water Works
Speaking of water quality, you may have heard that the Iowa Supreme Court ruled in late January against the Des Moines Water Works in its attempt to pursue damage payments from Calhoun, Buena Vista and Sac Counties for letting nitrates from field fertilizer flow down the Raccoon River.

A divided Iowa Supreme Court upheld a legal doctrine going back 100 years that protects agriculture drainage districts against lawsuits. The ruling presents an obstacle for the Des Moines Water Works, which is pursuing a lawsuit in federal court in Sioux City filed in March 2015.

The Des Moines Water Works alleges the three counties that oversee 10 agricultural drainage districts should be required to obtain federal water pollution discharge permits and pay the utility the more than $1.4 million it has spent to remove nitrates from the water supply. The Iowa Supreme Court concluded that changes in environmental laws have not undermined the basis for the drainage districts’ immunity.

This issue isn’t over yet, however, since remaining counts in the lawsuit will be addressed this June. In the meantime, FCA, the Iowa Soybean Association, Iowa Corn Growers Association and other ag groups continue to focus on protecting farmers’ productivity while improving Iowa’s water quality. Stay tuned for more details.

Make sure you get your private pesticide applicator certification up to date.
The best feed is essential to help your show animals perform their best. We’re proud to carry Show-Rite® Show Feeds at a number of our locations.

Show-Rite offers premium show feeds for cattle, pigs, sheep and goats. These high-quality nutrition programs help boost the health, performance and well-being of your animals. Schaller is our main hub for Show-Rite feeds. From there, we can transfer these products to our locations in Alta, Holstein, Marcus and Kingsley.

Superior show feeds aren’t the only resources we provide. Around the second or third week of April, we will once again host a show and feeding clinic in our trade area. We’ll have some excellent presenters. Watch for more details soon.

Also, thanks to all of you who count on First Cooperative’s feed department to help you reach your livestock goals. For all of you who show livestock, keep your eye on the prize, but also focus on what showing animals is all about—learning, having fun and spending time with family.

Have any questions about our show feed programs or livestock feed? Contact Taylor Dorsey (712-249-5710), Matt Lacey (712-371-3128) or Mike Smith (515-669-8194) for more information.

PETROLEUM REPORT

By Jim Bieber
Energy Manager
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Spring planting will be here soon. I recommend you start filling your diesel fuel tanks now, based on the market conditions we can see today. This winter, OPEC and Russia decided to put a product freeze on crude oil. This has created a baseline under the price, so crude oil has been rangebound between $51 and $54 a barrel. By early February, the futures were holding constant on both diesel and gasoline. As a result, it’s likely the number of oil rigs operating in the U.S. and Canada will increase significantly, but it always takes time to get production levels up.

Our recommendation? Contract 50% of your spring diesel usage. That’s a good place to start until we see what influences and other world events might impact the energy markets. Contact your local First Cooperative Association energy specialist for more details.

VFD IS UP AND RUNNING

The federal government’s veterinary feed directive (VFD), which requires a veterinarian’s written prescription to purchase drugs on the VFD list, has been in effect since Jan. 1. The transition has been fairly smooth.

Producers are following the rules and have the VFD in our hands before they order medicated feeds from us. It helps that there has been good communication among you, First Co-op’s feed specialists and local veterinarians. Thanks to all of you as we learn to do business in this new environment.
President Trump. NAFTA. China. There are plenty of wild cards that could influence the markets as we enter the brave new world of 2017. How will all these play out? Time will tell, but here’s what we know:

• There are plenty of corn and soybean stocks on hand.

• More corn was put into ground piles and temporary storage in our area in 2016 than in recent years. So far, quality has been reasonably good.

• All of FCA’s grain piles were gone by the first of the year, other than the covered pile at Granville.

• Grain market speculators have taken a long position earlier this year than they have in the past. This doesn’t mean they won’t go short and go long again later, but their actions are unusual compared to recent years.

• There are many indications that U.S. farmers will plant more soybeans in 2017, since beans tend to cash flow faster than corn.

• Both corn and soybean exports are in good shape.

• There were some weather concerns in South America in early January, but these weather issues weren’t widespread and didn’t damage the crop.

Rattling sabers on trade
The market is definitely uneasy about what the future holds for international trade, including ag commodities. Time will tell.

It’s clear, however, that the North American Free Trade Agreement (NAFTA) has been very good for ag since the deal was implemented in 1994. Another good thing is the fact that Iowa Governor Terry Branstad has been selected to serve as America’s ambassador to China. This should help give U.S. agriculture a strong influence with this key market.

Free price-later available
When you consider all the unknowns, along with the factors we do know about the grain markets today, it appears there is nothing that will drive a big market rally anytime soon for corn or soybeans. Time will tell, however.

FCA will have free price-later available at all our locations to give you the chance to move some grain. We encourage you to contact us with any grain questions. We appreciate your business and look forward to working with you in 2017.

Farmers harvested a high-quality crop in our trade territory last fall, and grain quality has not been an issue so far. As we move into spring, however, check your stored grain, and move the grain in temporary storage first.

It’s no secret grain marketing has become much more challenging than it was a few years ago. That’s why FCA hosted grower meetings in January in Marathon, Holstein and Paullina to help you learn how to put grain marketing tools to work for you. We had up to 70 people at each meeting, so thanks for joining us.

Since grain marketing isn’t a “once and done” event, we encourage you to get connected with our grain originators. Megan Plendl is based in Kingsley (office: 712-378-2888; cell: 712-898-6337), while Jason Hofmeyer is based in Granville (office: 712-727-3203, cell: 712-230-1615). They will be setting up small-group meetings and one-on-one meetings in the weeks ahead to help you continue to become a better grain marketer. Thanks for doing business with FCA.
FCA Acquires Rick’s Tankwagon Propane Division

Need propane? We can offer you even more service, since we acquired the propane division of Rick’s Tankwagon Service Inc. of Larrabee and retained Randy Hanson as the delivery/salesman.

This transition took effect on Feb. 1. FCA will honor all contracted propane you’ve committed to Rick’s Tankwagon. FCA will manage any tank lease agreement(s) you currently have with Rick’s Tankwagon. Rick and FCA’s propane service department have been verifying all tank serial numbers and obtaining regulator information for all customers.

You can continue to contact Rick Westphal (712-229-6341), Randy Hanson (712-261-0497) or FCA’s Cleghorn office (712-436-2224 or 800-594-9424) to order propane or learn more about contracting propane.

CONGRATULATIONS TO CLARE CONLEY, IOWA PORK QUEEN

First Cooperative Association congratulates Clare Conley of Cherokee, who has been named the 2017 Iowa Pork Queen. Clare is a senior at Cherokee Washington High School and plans to attend Iowa State University in the fall to pursue a degree in agricultural studies. She is the daughter of Bonni Conley of Cherokee.

Jim Bieber (left) welcomes Randy Hanson, delivery/salesman, who has been serving FCA’s propane customers since FCA acquired Rick’s Tankwagon Service this winter. “Randy is knowledgeable, experienced, reliable and does a great job,” Bieber said.
When I was growing up between Rolfe and Pocahontas, my goal was always to farm, until I had a “John Wayne” moment with my dad. The message? “This farm ain’t big enough for the two of us.”

That’s what set me on a career path in the cooperative system 42 years ago. It led me to a variety of roles, including general manager of Farmers Cooperative Elevator in Kingsley, and now Eastern operations manager/grain logistics for First Cooperative Association. Along the way, I attended the University of Hard Knocks. I didn’t graduate and am still learning. The cooperative system has been a huge part of my education, and I can’t imagine working anywhere but a co-op. Here are five reasons why I believe in the value of co-ops:

1. Career opportunities. I began my career in 1975 at the local co-op in Rolfe, which was part of the ag cooperative system in Gilmore City and Bradgate. The co-op not only offers jobs in our rural communities but provides opportunities to grow. By 1984, I became the controller of the co-op, which evolved into Pro Cooperative.

2. Innovation. In 1999, I had the opportunity to become the general manager at Great Plains Cooperative in Wray, Colorado. It was trial by fire. After I arrived, this area of northeast Colorado received only 16 inches of rain in four years—not good for the region’s diverse agriculture, including corn, wheat, milo, sunflowers, millet, potatoes, sugar beets, edible beans and alfalfa. The co-op was also in financial trouble. We learned fast how to do something with nothing. Much like farmers, co-ops must weather tough times. Through it all, the co-op works hard to find innovative solutions to help local growers, not only for the short term, but the long term.

3. Farmer-focused philosophy. In 2003, I had the chance to become the general manager of Farmers Cooperative Elevator in Kingsley. We grew the cooperative’s business, more than doubling in size. The rise of the ethanol industry around 2003 leveled the playing field for the co-op. Through it all, the co-op always looked for ways to expand opportunities for local farmers.

4. Growth. Strengthening Kingsley’s balance sheet made us an attractive partner to FCA. We also offered FCA another location closer to Sioux City, plus we modeled our fertilizer plant after FCA’s plant in Aurelia. Looking for ways to maximize resources, operate efficiently and grow is second-nature to farmers, and it also motivates the co-ops that serve them.

5. Honoring our roots, evolving for the future. When you’re born and raised in agriculture, you enjoy seeing crops and livestock grow. You also value the opportunity to provide food for others. I believe the cooperative system has done more than anything to advance agriculture. What other business model returns a portion of the company’s profits to members and invests resources back into the company to serve farmers better? While much has changed since our grandfathers and great-grandfathers founded local co-ops, their vision of protecting the farmers’ best interests hasn’t changed. Cooperatives are something I’ve always believed in. I value this new opportunity to serve you through FCA and appreciate your support for the local co-op.

Editor’s note: Pedersen is a second-generation American whose grandparents were Danish immigrants. Pedersen and his wife, Debra, a commercial loan associate for Northwest Bank in Spirit Lake, have two grown children. Their daughter, Laurie, her husband, Joel, and their two young sons (ages 4 and 1) live in Edina, Minnesota. Their son, Thomas, his wife, Rebecca, and their young daughter live in Kingsley.

“It’s fun to teach the little ones to say grandpa,” said Pedersen, a former high school football announcer who enjoys boating with his family.
Deep Bench Keeps Your Co-op Competitive

By Mike Thompson
Sales Manager
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Did you watch the Super Bowl this year? When you look at champions like the New England Patriots, it’s clear the best sports teams have something in common with successful ag cooperatives—they have strong leadership, exceptional talent and a deep bench.

As a newcomer to FCA, I’ve discovered just how deep FCA’s bench is, from the skilled employees at all our locations to the upgraded facilities and the company’s strong balance sheet. All these advantages make your cooperative competitive, both now and in the future.

I’m proud to be part of this successful organization. As the former general manager of Farmers Cooperative Company of Paullina, Granville and Hospers, I became FCA’s sales manager when our co-ops unified in September and look forward to helping FCA grow.

Rural roots run deep
I grew up on a farm near Paullina and studied business administration at Des Moines Area Community College. I farmed with my dad for a time and later managed a sow unit for a few years before accepting a job at Farmers Cooperative Company.

I worked my way up, starting with dumping grain and working in the feed mill. I got a CDL so I could drive trucks. I later got into sales before becoming the general manager in 2006. I was fortunate to have good mentors along the way and had the opportunity to develop many good contacts throughout the co-op world.

Who do you trust?
I’ve always appreciated the way the local co-op serves area farmers and offers employees the chance to grow and develop new skills. When I hired new employees, I assured them I wouldn’t ask them to do anything I hadn’t done. This helped build one of the most important elements of any relationship—trust.

My years in the cooperative system have also taught me that people like to do business with people they trust. You can trust FCA’s employees to listen to your unique needs and find ways to add value to your operation.

We have a deep bench and share a common goal of helping you reach your goals. Thanks for your business and the trust you place in FCA.

Editor’s note: Thompson and his wife, Nancy, have five children ranging in age from 27 to 17. Nancy is a stained-glass artist who runs her own business. In addition to working with churches, schools and other organizations, she has been commissioned by state and national pork associations to create pig-inspired stained-glass artwork.

“People like to do business with people they trust.”
Apply for an FCA College Scholarship

Do you have a high school senior in your family who plans to attend college next fall? Encourage him or her to apply for a FCA scholarship.

We award 15 $500 scholarships each year. We’ve been proud to award thousands of dollars in recent years to local students. As a locally-owned agricultural business, we want to support our youth as they advance their education. Investing in their future is an investment in rural Iowa.

- We supply all the scholarship details to guidance counselors at high schools throughout our trade territory. Applications must be returned by March 15 to FCA, attn. Jerry Weiler, P.O. Box 60, Cherokee, IA 51012.

- Scholarships will be awarded to graduating seniors of FCA patrons who are Class A members in FCA’s trade area.

- A separate scholarship category will be allocated to graduating seniors of FCA employees.

- For seniors to be eligible, their parents must be a Class A member or employee of FCA and must plan to attend a college, university or area school.

- Preference will be given to students enrolled in agriculture-related studies.

- Factors considered will include academic achievement, community and school service, extracurricular activities and need.

- The FCA scholarship committee will meet this April to select scholarship winners.

- In August, scholarship checks will be issued from FCA in the name of the student and the school.