



First Cooperative Association

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Visit Our Web Site At: www.firstcoop.com

September, 2007



MANAGER'S CORNER

By Jim Carlson
General Manager

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Another summer has ended, and it seems truly remarkable the time has passed by this quickly and that once again plans and preparations are intensifying each day as the start of another harvest season steadily approaches.

It has been another very busy summer for all of your First Cooperative employees, as we have continued our on-going focus to upgrade, enhance and expand customer service capacities and capabilities.

Of course with August ending, so too did another fiscal year of operations for your cooperative, and very shortly the auditors will be arriving to conclude their work on the financial statements that will reveal the kind of year that has been turned in.

Thus as we look to the weeks ahead and all the plans and preparations that have been made to handle and serve your grain needs, your agronomy needs, the fuel/energy needs of your farms, homes, vehicles and equipment, and to keep pace with the steady demands of our area's livestock producers, we are also making preparations for this year's Annual Meeting and Board of Director election.

But I'm getting a bit too far ahead of the issues looking that far ahead at this point, so perhaps it's best to cover some of the noteworthy items that have transpired over the course of the



Our New Scale At Cleghorn Is Ready For Fall

This summer we installed a new and larger above ground scale system at the Cleghorn location of FCA, and we're sure the customers delivering grain there will enjoy the added maneuverability and space as their grain loads are weighed.

summer that have brought us to the threshold of harvest.

PATRONAGE PAYMENTS: Toward the end of July the FCA Board of Directors approved revolving additional Class C Preferred Stock payments to the membership, with checks totaling over \$401,000 being mailed out.

Over the last three years, *First Cooperative has paid out a total of \$1,623,350 in equity retirement and estate payments to the membership*, which is over and above the payments which have been received by members for their current year's patronage dividends.

As I have noted on previous occasions in commenting on these and other payments that have been made over the years to our members, it is the on-going and continued support and business that is being done by the members and patrons today which generates the revenues necessary to grow your cooperative so it is in a solid

financial position to pay these and other returns to the membership.

NEW SCALE: As the photo elsewhere in the newsletter shows, we have installed a new grain scale at the Cleghorn location, one which will be a valuable asset to our customers and co-op in helping to smooth and speed traffic and scale operations this fall and on into the future.

The new scale is a 14-foot by 80-foot above ground system, replacing the former below ground 10-foot by 70-foot scale that was rapidly being rendered obsolete by the larger semis, grain wagons and trucks that are now used by so many of our area farmers, or by others hauling grain for them into us from the farms and fields of FCA Country.

Over time, I am sure similar scale upgrades will need to be addressed at

CORNER

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**AGRONOMY
NEWS
&
NOTES
By
Jim Compton**

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PLOT TOURS: We have had two of our local *Test Plot Tours* as of this writing, both on the 28th of August.

Customers joined the FCA Agronomy & Seed Team at noon that day at the extensive set of corn and soybean plots we had at Marcus, and that evening the Team put on a tour of the corn and soybean plots for customers who were able to stop by the plots we had in Laurens.

As things turned out, the weather couldn't have been much better for an August afternoon, and Mother Nature's cooperation was certainly appreciated.

We had a very good turn out at both the afternoon and evening sessions, there were some very good soybean variety and corn hybrid comparisons and evaluations that were discussed as the tours were underway, and I sincerely hope everyone who attended came away with some additional data and information they can make use of to fine-tune seed and/or other management decisions for their 2008 crop.

It's the day after Labor Day as I am putting this article together, and our final Plot Tour of the 2007 season will be held later on today, this time at the corn and soybean plots we had out in the Schaller area.

We thank everyone who has and/or who is planning to join us for one or more of these Plot Tour events where it is possible to demonstrate the performance of some of the leading seed technologies and genetic advances to you *Up Close & Personal*.

These Plot Tours give us an ideal setting to provide you with opportunities to ask questions about different seed and management issues, and to find out more about the specific seed solutions we handle to meet your needs and to address the varying conditions and situations you encounter in your fields.

If you were unable to attend and would like to take a look at any of these plots at some point in the future before harvest gets underway,

please contact an FCA Agronomist to let him know your interests.

We may be able to arrange an informal group tour or perhaps even an individual look-see at the plots for you to obtain this information.

SEED ORDERS: Before turning to other issues, and since I am already on the subject of seed, I want to encourage all of our FCA farmers to take some time soon to visit with us about their seed plans and needs, especially if there are specific seed products, genetics or technologies anyone definitely wants to lock in with an early order to assure supply.

While you are at it, be sure you ask about our *Innovative New Seed Program* which has been especially developed to provide FCA customers with added flexibility, added convenience and, most importantly, added savings as they line up 2008 crop inputs.

Your FCA Agronomists have all the details and information, and I can assure you it will be well worth your time to *Talk To Them Now* so you can find out more about this exciting, innovative opportunity.

SAMPLING TIME: Your FCA Agronomists are continuing to line up acres for soil testing and grid sampling services, and if you have not as yet checked your soil records, and/or you haven't touched base with our staff to talk about getting nutrient rates updated, *Don't Put It Off Any Longer!*

As always, we want/need to know where the acres are that need to be re-sampled this fall *In Advance* so we can come right out after you have the crop out of those fields to take the samples, get them sent in for analysis, and back in ample time to make recommendations for fall lime and/or P & K.

With all those pieces to the puzzle that have to fit together first before we can get out there to spread products, you can understand why there

isn't time to spare or waste in getting the soil testing and/or grid sampling needs scheduled.

Conventional soil tests are typically updated every three years, grid samples every four years, so if you need either, *Call On Us Now* to get your acres on the list for the most timely sampling this fall.

FERTILIZER ISSUES: We are continuing to lay in inventories of nutrients to serve your fall needs, and I am pleased to say that we feel we will have a good supply on hand to take care of all customer orders as the fall season unfolds.

Prices for all nutrients are, as I am sure everyone is aware, continuing to trend higher with time, plus as we look farther out into the future there are issues related to supply that many feel could become as much of a concern as the steadily increasing cost for nutrients.

Demand both domestically and overseas continues to strengthen, and the number of sources of supply continues to shrink, particularly here in the U.S.

All of the above factors, and numerous others, will make crop nutrient management an even more valuable part of your plans, programs and strategies for the future.

Therefore, we feel the role of grid sampling and VRT application of nutrients to bring added precision to the rate recommendations will continue to be more important for every farmer as we address the changes in cropping systems, the demand for higher yields from every acre in production, and the need for both to be accomplished with the greatest efficiency and economy.

FCA welcomes the opportunity to work for and with you to enhance crop yields from your fields, and to help you achieve the greatest efficiencies today's technologies have made possible. *Talk To Your Agronomists Soon!*

**Contact Your Local FCA Agronomist Today
To Discuss Our Fall Programs & Services**

Soil Testing & Grid Sampling

Fall P & K Applications & Fall Lime Applications

**Early Seed Orders To Lock In The
Best Genetic Traits/Technologies**

Your Fall Nitrogen Plans/Programs/Needs

**GET A GREAT HEAD START ON YOUR 2008 CROP
BY GETTING A HEAD START ON FALL WORK**



FIRST COOPERATIVE ASSOCIATION GRAIN POLICIES 2007



Deliveries must be settled within 10 days of unload date or grain will be charged storage beginning on the 11th day at a rate of 1/5 cent per bushel per day (6 cents per bushel per month) for the next 90 days, and 98.4 thousandths of a cent per bushel per day (3 cents per bushel per month) thereafter.

WAREHOUSE RECEIPT & OPEN STORAGE CHARGES

16-Cent Minimum For the First 90 Days
98.4 Thousandths Cent Per Bushel Per Day (Equal To 3 Cents/Month) After 90 Days
Warehouse Receipt & Open Storage Charges Will Be Billed Quarterly
(December 31st * March 31st* June 30th * September 30th)

GRAIN BANK STORAGE RATES

First 90 Days No Storage Charge
98.4 Thousandths Cent Per Bushel Per Day (Equal to 3 Cents/Month) After 90 Days
Grain Bank Sold Will Revert To Open Storage Rates

GRAIN BANK IS INTENDED FOR FIRST CO-OP FEED CUSTOMERS

Corn taken out of Grain Bank must be mixed with protein supplement. Shelled corn hauled out will be charged regular open storage rates.

PRICE LATER

Price Later Service Charge is 16 Cents Per Bushel For First 90 Days
83.33 Thousandths Cent Per Bushel Per Day (Equal To 2.5 Cents Per Bushel Per Month) For Next 5 Months
With A 28.5 Cent Maximum Until August 31, 2008
All Price Later Contracts Expire August 31, 2008
Producer Must Be Informed That Once Price Later Contract Is Issued
No Warehouse Receipt Or Other Storage Disposition Can Be Made

CORN

Moisture Will Be Averaged Up To 10 Days After the First Day Of Delivery
14% On Warehouse Receipt - Open Storage - Grain Bank
15% On Price Later Contracts Or Sold
1.50 % Drying & Handling Shrink On Wet Corn Per Point of Moisture Removed

MOISTURE DISCOUNT IS \$.04 PER POINT OF MOISTURE REMOVED

Drying Charges Are Subject To Change Without Notice
F.M. Discount Is 2 Cents Per Point Over 3%
Test Weight Discount Rate Is Cumulative

52.9 To 51.0	=	.01/Bu Lb.	48.9 To 44.0	=	.05/Bu Lb.
50.9 To 49.0	=	.02/Bu Lb.	43.9 And Below.	=	.10/Bu Lb.

DAMAGE DISCOUNT

1 Cent Per Point 5% To 7% Damage * 2 Cents Per Point 7% And Above

CUSTOM DRYING CORN

Corn will be deposited into Grain Bank and dried to 14.0% moisture. We guarantee under 15% corn going out. Corn must be hauled out in 5 days or regular open storage charges will be applied, including the 12-cent minimum.

SOYBEANS

Moisture Requirement For Soybeans Is 13%
MOISTURE DISCOUNT IS \$.04 PER POINT OF MOISTURE OVER 13%
1.5% Drying & Handling Shrink Per Point Of Moisture Removed From Wet Beans
13.5% And Under Will Be Averaged Together * 13.6% And Over Will Be Averaged Together
15% And Over Beans Are Subject To Refusal
Musty Discount Is 5 Cents/Bushel * Sour Discount Is 10 Cents/Bushel
No Storage Charges For The First 10 Days After Unload Date; Thereafter
Storage Is Same As For Corn (1/5 Cent Per Day For First 90 Days, .03/Month Thereafter)

See Back Of This Page For FCA Grain Handling Policies



GRAIN HANDLING POLICIES AT FIRST COOPERATIVE



As we all realize, this fall will be an extremely busy and hectic time for all. The policies at all FCA locations for operating at a smooth pace during harvest are being addressed below, and we encourage you to please take note of these policies, including those changes which have been made from previous years.

1. Due to the volume of grain coming in daily, please have all signs designating grain ownership visible. If it is a new split for landowner and tenant this year, please inform the office before harvesting so new customer identification can be loaded into our computer system.

Also this year you may need to have fields identified for insurance purposes. If you wish to have your tickets marked for this purpose, let us know before you begin bringing in grain for that field so we can mark your ticket accordingly.

2. Regarding delivery sheets needed at the FSA offices; you will be given a delivery sheet when grain is settled. You may also request a copy of the delivery sheet when you're completed with delivery.

PLEASE KEEP THESE PAPERS!

3. If you wish us to fax delivery sheets to the FSA office, remember that FSA must have a signed Form 237 on file (Signature Authorization Form). We will not automatically fax delivery sheets - customer must request this when done if they are not taking them directly over to FSA.

4. FCA is not responsible for ownership distribution splits. YOU are responsible for ensuring FSA has the correct paperwork and documentation to process your claims.

5. Dump hours will be posted and strictly adhered to.

6. The driver leaving the grain dump (empty loads) has the right of way to the scale first.

7. Please remove side gates from wagons to prevent injuries. If not able to remove them, tie them securely.

8. Make sure all end gates open freely.

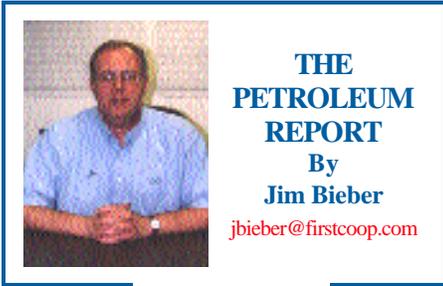
9. Curving the corners in trucks will allow grain to move faster.

10. We may not be able to store all grain on Warehouse Receipt that is requested. Some grain may have to be sold to keep shipping grain out so we are able to receive additional deliveries.

NOTE

The policies and procedure above are designed to help make the season go as smoothly as possible for the customer, the employees of First Cooperative Association and for the people of your local FSA office. We appreciate and thank you in advance for your cooperation.

HAVE A SAFE HARVEST SEASON



Your FCA Board of Directors has recently approved the purchase of B & M Services out of Sioux Rapids, with this transition becoming effective as of September 1, 2007.

The purchase includes their storage, inventories and bulk fuel plant operations, plus the facilities and rolling stock.

We welcome aboard as new *FCA Fuel Team* employees *Gary Meseck*, who will continue to provide customers with fuel delivery, sales and customer services out of the Sioux Rapids area as he has in the past, plus *Ken Essick*, who will continue to provide similar fuel sales, delivery and customer service to customers operating out of the Webb station as he has in the past.

If anyone has any questions or needs to discuss, they can contact *Gary* on his cellular phone at 712-299-2300, and you can reach *Ken* at the station number, which is 712-838-4425.

You can also contact me at the toll free number for the *Cherokee office*, which is 1-877-753-5400.

We are looking forward to continuing to provide all of the patrons of B & M Services with quality products and service for the future.

In addition to gasoline and diesel fuel, home heating needs, oil, grease and other lubrication products, we will be offering the full compliment of risk and inventory management programs that have been developed by FCA to help all of our fuel/energy customers lock in savings and supply to meet their farm and home, vehicle and equipment needs.

The fuel pumps at the station formerly operated by B & M Services in Sioux Rapids will be operated as a *Card-Trol fuel center with 24/7 accessibility* using either an FCA Fuel Card, Sinclair, Master Card or Visa credit cards.

FCA Fuel Cards are being processed and mailed to those customers who have patronized the station in the past, and if anyone who wants a card does not receive one in

the mail by the end of September, please contact Gary, Ken or me to request one be sent.

We're in the process of seeking someone who would be interested in operating the vehicle service area at the station, and I will update you on this as developments take place.

As we approach the start of the fall harvest, there are significant concerns throughout the fuel industry about the tight supply situation that exists all across the Grain Belt.

Inventories have not built over summer as a result of refinery shut-downs, plus there have been steady increases in demand and usage, so I very strongly recommend that everyone of you ...

... *Start the season* with on-farm inventories filled.

... *Operate off the top half* of your on-farm supply as the season progresses.

... *Avoid letting* your inventory get too low so you don't have an ample fuel to carry you past potential delays and/or pipeline shortages.

... *Call to order delivery* with *24 hours (minimum) advance notice* of needing fuel to arrive at your farm.



Mark Hinners joined the FCA Feed Team this past spring, and since that time he has been doing an outstanding job calling on our area beef operations and assisting our beef producers with their nutritional and management needs.

We want to thank all of you for making Mark feel welcome as he has stopped by to introduce himself and to offer the full line of FCA beef

products, programs and services, and naturally we appreciate you giving Mark and FCA the opportunity to be of service to you.

Fall has arrived, and it's a key transition time for beef operations as calves are being weaned and coming in from your pastures, or arriving from greater distances.

Either way, this is a stressful time for calves, and it can be a stressful season for producers too, since the demands of a busy harvest also loom on the horizon.

It's therefore time to ease these stresses on calves and producers, and FCA has the ways.

First, while these recent rains have certainly greened up the pastures, we all know grass nutrient values are depleting as we get later into the season, so you definitely need to be sure the calves, and the cows, are all getting their full compliment of vitamins, minerals and nutrition.

Creep feeding calves is a great way to make sure calves are getting all they need at this critical time when they are growing so fast, and creep feeding it an ideal way to reduce stress on the calves and ease the transition to feedlot rations.

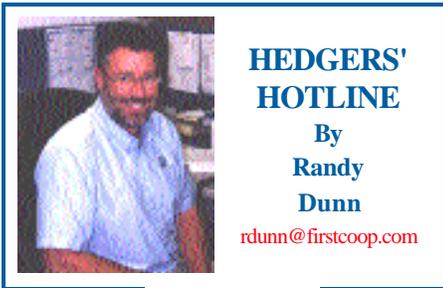
Plus, with the calf on creep feed, the cow's stress is eased and she's able to start building conditions sooner, more efficiently/effectively.

Speaking of which, we'll be having our *mineral and tub booking programs available soon* so they can line up all of their fall mineral needs as cattle are turned out into stalks to graze. Watch for details!

Finally this month, we're still looking for buildings to house pigs, plus there are some sources who are looking for outside lots that pigs can be put into.

There are some very good opportunities available and, as always, we welcome the opportunity to visit with you to match your specific wants/needs to someone who is looking for exactly what you have to offer. *Call Me* to find out more!

HARVEST SAFETY
Is Everyone's Top Priority For Each Day
We All Know Many Farmers Are Injured In Accidents Each Year
DON'T BECOME THE NEXT ACCIDENT STATISTIC
Take Your Time * Be Careful * Be Cautious
In All Of You Fall Work On The Farm & In The Fields
And As You Travel The Roads With Large & Heavy Equipment



HEDGERS' HOTLINE

By
Randy
Dunn

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Does anyone remember what corn and soybeans were worth one short year ago on September 1, 2006?

It hardly seems possible today, but the local cash corn bid for corn a year ago was \$1.90 and beans were selling for \$4.84.

That was just about the time the roller coaster ride for corn, soybeans and wheat was starting up the hill, and we've been on a remarkable ride ever since.

Since early September of 2006, corn has gone from below \$2.00 to over \$4.00 and back below \$3.00 per bushel.

Soybeans went from a price that was sub \$5.00 to over \$8.00, drifted back down to \$7.00, and now they are back up above \$8.00 again, or were as of 9/4/07.

And if you think beans have been wild, Chicago wheat has traded from a low of \$3.75 last September to an all time record high of \$8.10 as of 9/4/07.

By the time you read this, who knows what grain prices could be, since it would appear the roller coaster still has plenty of ride left.

The rush to turn corn and vegetable oil into vehicle fuel has changed the dynamics of agriculture across the entire world, so much so, in fact, that today the demand for corn, soybeans and wheat appears to exceed the world's ability to produce these food/feed commodities.

What we are searching for right now is the "Right" price for all commodities that will bring supply and demand back into balance.

The old saying that "high prices cure high prices" should ultimately bring some stability to our grain markets, since high prices will eventually eliminate some demand and encourage more production at the same time, giving us more supply.

Having just said that, I have no idea what the "Right" price is, and I don't know anyone who can tell us with any degree of certainty.

What we do know is that it is a

slow process to expand worldwide acreage on ground suitable to grow more crops, and until we are able to somehow increase crop production, we will probably see yearly repeats of last winter's grain markets as each commodity tries to price itself high enough to secure the needed acres.

If I had to make a bet today, I would guess we could see some lower prices during harvest, and higher prices this coming winter, as we try to sort out the acreage issues.

But similar to what I said above about having no idea what the "right" price might be, neither can I guess as to what a "lower" and/or what a "higher" price we may have before us.

HARVEST POLICIES: The 2007 Harvest Policies are included elsewhere in this issue of the newsletter, and I encourage all customers to please review them prior to starting their harvest work, as there have been some slight modifications made for this fall.

As always, if there are any questions about any of the policies, rates or procedures, please do not hesitate bringing them to my attention or to that of the Location Staff where you will be delivering your grain this fall.

Above all else, please have *A Safe Harvest!*

CORNER

Continued From Page 1

other FCA locations, and your Board and Management will, as I mentioned above, continue to look at these situations and the rest of our grain receiving, handling, storage and load out sys-

tems in our effort to keep pace with our customers, needs, and with the volumes of grain arriving at our locations.

B & M SERVICE PURCHASE: As of September 1st your cooperative has purchased the fuel storage, rolling stock and other facilities of B & M Services located in Sioux Rapids, and elsewhere in his article this month Jim Bieber, our Petroleum Department Manager, has included additional details on this issue.

We are very pleased to welcome those customers to our FCA Family, and we are looking forward to providing them with quality fuels, flexible programs to help them manage their inventories and costs, and of course the very best in customer service.

ANNUAL MEETING: As I noted at the beginning, we are also looking ahead to plans for this year's Annual Meeting at which we will be reporting to the membership that FCA has had another good year of growth and performance.

The dates have been established for our meeting series, so please mark your calendars of the following:

NOVEMBER 13TH - ALTA

NOVEMBER 14TH - LAURENS

NOVEMBER 15TH - CHEROKEE

Complete details will be mailed to all members with their Official Notices, which will also include information on this year's Board of Director election, so please be watching for that information, and by all means plan to attend to see and hear more about our year of business.

Thank you for your support, and please *Have A Safe Harvest* in the weeks ahead.



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