

Regulation, Bottom Line Driving Feed Changes

» By Don Truhe, General Manager

As many of you have likely heard by this time, the board has decided to terminate grinding, mixing and delivery at our mill in Beresford. There are a number of sound reasons for this decision. First, the grind and mix portion of our feed business has been losing money. Second, the mill is likely older than I am. With the current condition of the mill, we cannot meet the standards required by the new FSMA and HACCP regulations. To do that, we would have to completely overhaul the mill—a very expensive proposition. It doesn't make sense to spend money in an area that is already failing to meet expenses.

We will continue to offer all the bagged feeds we currently carry and our direct feed services. At this point, we have not found a supplier that will handle the smaller delivery quantities required by our creep feed business. We are, however, actively looking for a supplier to meet those requirements.

The target date for the mill closure is April 1. Though it was the right decision, it was not an easy one. We understand many of you will have questions, and we would be happy to talk with you about your concerns. Please call me at 253-6150, or Larry Bork at 957-5076. Larry will still be the contact person for all ongoing feed needs. He will also be training to become our safety director.

Margins tightening

As we look at the markets, margins have tightened considerably since harvest. As the crops were coming in, there was some carry in the market. We did what we could with the grain volumes we had. Recently, however, most of that carry has evaporated. That will bring our average profit margin per bushel down.

We will be doing our best to maximize margins and control expenses this year. We expect you will be doing the same on your operations. Consequently, we have no major projects planned for this year.

We appreciate your business, and are committed to working through these challenging times with you. «



Meandering Markets Waiting for News

» By Nathan LaFerrier, Grain Merchiser



The corn chart on this page illustrates support and resistance levels using December corn's high back on June 8, 2016, and its low on Aug. 31, 2016. The blue line shows 38% retracement from the June 8 high, the pink line 50% retracement, the red line depicts 62% and the green line 75% retracement. With March supply and demand numbers behind us, the market will look toward the planting intentions report at the end of March.

The first look into the size of the 2017-18 crop will be in the May supply and demand report.

The second chart is the same study done for Nov. 17 beans. As you can see, the market has been in the same range since late November. The lows of \$9.80 will



hold until the market feels that world supply levels can meet anticipated demand. The recent highs of \$10.34 will hold unless production issues arise. With time running out to damage the size of the South American crop, supply problems will have to come from adverse U.S. growing conditions. We will experi-

ence price peaks and valleys as production plays out.

Southeast Farmers has many contracts and tools to aid in your marketing. We would be happy to review your goals and suggest some tools that would fit into your plan. «



CLIMATE FIELD VIEW
 Contact 605.253.6150 for all your Climate FieldView needs

CHS CHS Hedging Inc

Contact 605.253.6150 to reach our branch office for all your hedging needs

Still Time to Plan

» By Chad Nelson, Agronomy Manager

Though spring is just one good snowstorm away, there is still time to put a plan together for the 2017 production year. Let's get together, go through your chemical and fertilizer programs and make sure you have the seed you need. We still have plenty of good corn and soybean numbers available in case you're rethinking your rotation or just have some holes to fill. CFA input financing is still available, too.

Having a plan in place before you head to the field lets you focus on getting the crop in while we focus on getting your fields ready. It also helps us use our people and equipment much more efficiently so everyone can cover more acres in a day.

So we're all on the same page as we head into this busy season, I want to make sure you're aware of our return policies and dates. July 1 is a very important date for returns and splits. Here is a list of everything that needs to be in to us by that date:

- Any extra soybean seed needs to be returned. We need to know about any splits that need to be applied to that seed.
- Any SeedPac 50s and hard-sided boxes, with all related parts.

- All mini bulks and packaged chemicals, as well as any splits. This makes billing much smoother.

All of our return dates and guidelines can be found on our website: southeastfarmers.com.



The new XtendiMax™ soybeans are on the market. This is a technology we have been waiting for, but as was the case when glyphosate was first introduced, we have to communicate very clearly with each other regarding this production system. Talk to your neighbors, your agronomist and your applicator to ensure everyone knows exactly what is in each field.

Finally, we'll have a new tender for seed delivery this spring, which will be much easier to operate and increase our efficiency.

We're looking forward to spring and the chance to work with you through another production season. «

“Talk to your neighbors, your agronomist and your applicator to ensure everyone knows exactly what is in each field.”



Southeast Farmers Coop

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Product Return Policy

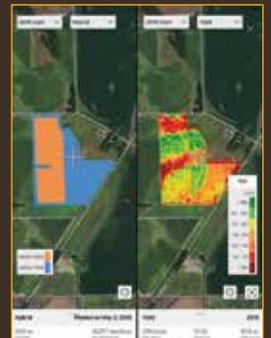
All seed, preplant chemicals and mini bulks need to be returned by July 1.

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See Us for Spring Energy

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