

## A Good Harvest Tucked Away

» By Don Truhe, General Manager

Soybeans that stubbornly refused to dry down made for some short harvest days and late nights. I've never seen soybeans take on moisture in the field like they did this year. We stayed open late some evenings when the soybeans were coming out, and our employees put in some Sunday hours to accommodate the harvest. The pace of harvest, while frustrating to many of you, did make it easier to keep up on our end.

Overall, crops in our area were generally good, with a few spectacular yields thrown in. Some early corn that didn't drown out and received irrigation through the dry period went 230-250 bu/A. Thanks to our late, mild fall, we were able to get all of our grain piles covered before the first snow flew—a very good feeling.

Our bean handle was up from 2015, while our corn handle was not as big. Observation tells me that others in the area also saw less corn. I believe there are several reasons for this. Harvest was drawn out, so ethanol processors and feed mills were able to process almost a month's worth of corn as it came out of the field. I also think corn acres were down somewhat and drowned-out acres likely knocked down yields for some.

For the first time in three to four years, we're seeing a little carry in the grain market, which will help both our producers and your cooperative. We are looking at opportunities to make more on a bushel of grain right now than we could a year ago. Input costs, particularly fertilizer, also remain low—a couple of positives.

### Team effort

I would like to commend our employees on a great effort this fall. From the office staff writing checks and contracts, to the employees buying and dumping grain, to the agronomy and petroleum staffs spreading fields and making deliveries, they were phenomenal. Our applicators used GPS to spread fields in the dark, and I didn't hear of one field that didn't get applied the day it was promised. And no one, to my knowledge, ran out of fuel or propane.



We're off to a good start on the next fiscal year, with fall application tonnage way up for the agronomy department. Over the past two years, we've invested heavily in the addition of significant assets to your cooperative. Now we're going to put those assets to work paying off that investment and building our working capital. While we don't foresee major capital projects over the next two years, there are still facility and equipment needs that must be addressed. We will include those projects in our long-term plan.

Finally, I want to encourage all of our members to take a proactive approach to your 2017 financing. Don't wait to visit with your banker assuming, as a last resort, you can charge what you need at Southeast Farmers. Everyone in the industry is working on tighter margins. We are not a bank. We are a provider of short-term, unsecured convenience credit. We will continue to extend that credit to those who keep their accounts current. But we can't, and won't, assume the risks that a bank or other financial institution can.

We appreciate your continued support, and I hope you all had a very enjoyable holiday season. «

# Corn Stagnant, Beans Showing Life

» By Nathan LaFerrier, Grain Merchandiser



As we roll into the winter, the corn market will be searching for new demand to chew up as much as possible of the 2.4 billion bushels the USDA says we will carry out this year. As we have put harvest behind us, the corn market has been range bound from \$3.75 to \$3.95 versus the December contract, providing few pricing opportunities to producers.

of this rally, leading the market to believe the rally is due to speculators and not demand.

The good news—it doesn't matter to the farm gate what is pushing prices higher. Take this opportunity to price old crop inventories and make some new crop sales as well. Southeast Farmers offers many contracts to aid you in pricing your soybeans.

New crop pricing contracts for corn and soybeans:

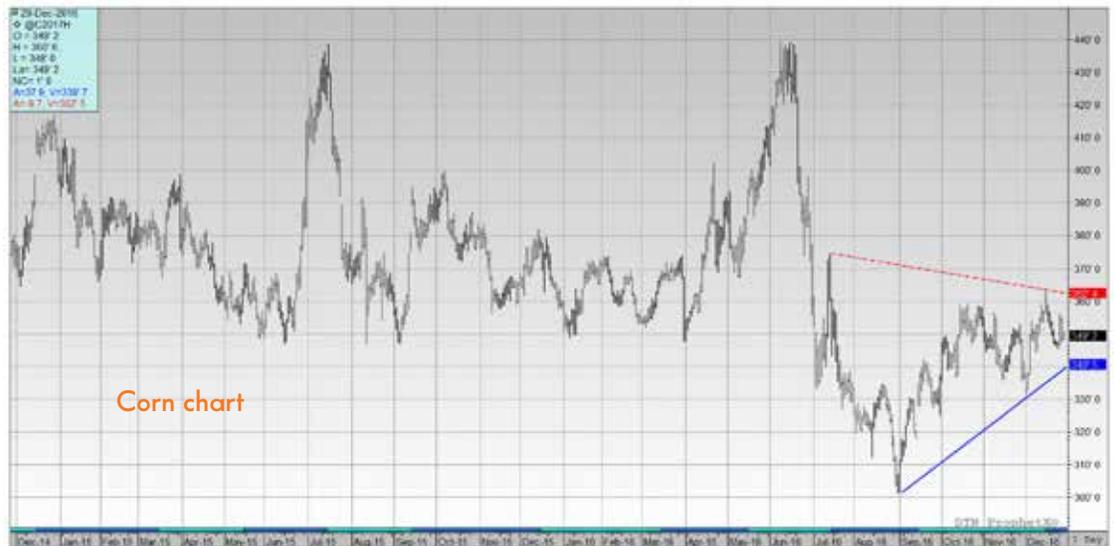
Producers across the Corn Belt seem to be asking the same question: What contracts are out there to give them time as cheaply as possible? You can find the answer to that question at Southeast Farmers Co-op, as we offer contracts meeting that description. A few examples would be:

- Basis fixed contracts
- Minimum price contract
- Min/Max price contract

Call our office with any questions you may have on these types of contracts.

## Beans a bright spot

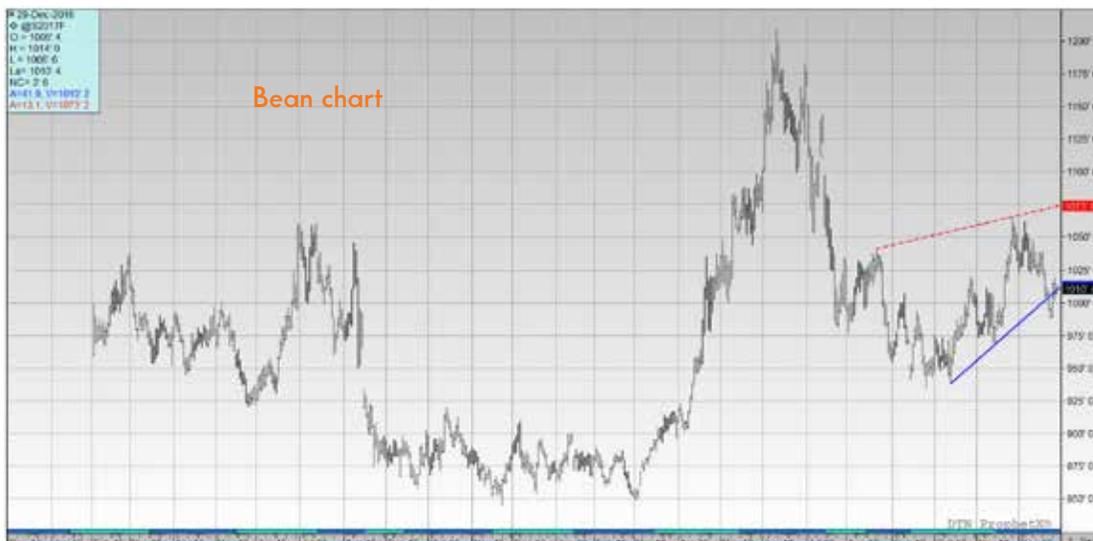
Soybeans have seen upward price action during, as well as after, harvest. This price movement seems to be driven by soy oil and increased speculator money flowing into the market. Soybean basis has not shown any firming because



Corn chart

**Daily Price Plus** - Allows a producer to sell above market price with the security of a floor if the market moves lower.

**Foundation Contract** - Allows a producer to establish a floor and price bushels on a daily basis. Contract specs are user defined.



Bean chart

**Cash Plus** - Allows a producer to receive a premium on old crop while having a firm offer for equal bushels of new crop.

*This communication is a solicitation and for informational purposes only. There is a risk of loss when engaging in these kinds of transactions.*

Please call 605.253.6152 with any questions. «

# Replacing What Big Crops Have Taken

» By Chad Nelson, Agronomy Manager

After a slow start, harvest ended with a long stretch of beautiful weather. Most of you saw excellent yields on both soybeans and corn. With that said, we did see some fields where yields weren't where they should be. Grid sampling in those fields revealed the cause—big yields this year and the previous season had depleted fertility reserves, shorting the 2016 crop. As improved genetics continue to deliver big yield potential, fertility has to keep pace.

The good news on that front—as we begin 2017, fertilizer prices are 20%-25% lower than they were this time last year, and it appears they may go even lower.

As to your other key inputs, seed prepay season is here. Seed prices are flat to slightly lower, depending on the seed, and there are significant savings to be gained when you prepay. Ordering your seed early will also help ensure you get the genetics you want. There are also significant savings available through manufacturer programs. Talk to us about the rebates on certain crop protection products offered by Monsanto when you use Asgrow® and DEKALB® seed.

Continuing with crop protection, the big news for 2017, of course, is the EPA approval of the Roundup Ready® 2 Xtend® system for soybeans. This is a strong program that gives us another tool we can use to control waterhemp, and yield data from the Xtend beans this fall looked tremendous.



The addition of yet another crop protection program, and the associated seed options, makes planning an even more critical part of the process. Let's sit down, select the correct varieties and hybrids for your specific situation, and make sure we have the crop protection and fertility programs in place to let the seed fully deliver on its potential.

Once again this year we have input financing available through CFA, as well as programs from Monsanto and John Deere credit. Just ask one of our sales people for more information on financing options. «



## Product Return Policy

All seed, pre-plant chemicals and mini bulks need to be returned by July 1.

# Southeast Farmers Coop

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## A Good Year to Add Capacity, Speed

We received a number of compliments on the new traffic pattern at the terminal, especially the second scale. Waiting lines were minimal, with a normal time through the facility of five to six minutes. Very seldom was anyone in our facility for more than 20 minutes. <