



Fall 2017

## Holding Our Ground in a Tough Market

» By Don Truhe, General Manager

Our challenging grain market provided some opportunities early in the year, and that, combined with increased seed and fertilizer sales, helped Southeast Farmers enjoy a slightly higher local profit this past fiscal year. Net profit will be similar to what we've seen the past two years.

With profits as they have been the past few years, we've were able to pay off \$2 million in debt last year, and our balance sheet looks very good. But, we're not where we need to be to keep serving our customers properly. We have capital projects that are needed, particularly automation to replace some labor-intensive operations. Wise financial management dictates that we wait, but I don't believe we can wait beyond two years.

Though we again managed to operate profitably, grain continues to be an area of concern. We purchased a record number of bushels last year, but getting these bushels sold was another story. At this point, we still have a lot of grain on hand because the market is telling us to carry grain.



In reality, we should be carrying even more, but we simply don't have space—especially with harvest only a few weeks away.

We've seen the basis strengthen 20 cents on corn recently, and there is still some carry in the market for both corn and beans. So far, farmers are reluctant to sell, and our new crop purchases are about 10% of normal. At some point, however, a great deal of grain will have to go to market.

### What's coming this fall?

As we try to determine what to expect from the harvest of 2017, we've had our agronomy team out walking fields throughout our trade territory. Frankly, it's hard to get a clear picture of what this year's crops will turn out to be. We've seen yields ranging from 50 to 250 in the fields we've visited. We're also not sure how many of the acres west of Beresford that were prevented planting, or went into beans last year, are back in corn this season.

Our goal is to carry as much grain as we possibly can, but we need to know how much room to allow for harvest. Without knowing what is left on the farm, how much on-farm storage is actually available and how much grain will yet come in, it is very tough to plan.

With replants and late planting on corn and beans, we also expect to be taking beans and corn at the same time—and possibly some wet corn. It will be an interesting fall, but we're doing our best to be ready to handle whatever comes our way.

We'll be sharing the final results of our fiscal year at our annual meeting, which will be held this year on **Nov. 20 at The Pointe in Elk Point**. Plan now to join us. «



# Is There a Better Deal Out There?

The Cenex® Total Protection Plan™ is truly one of the best values in the business, extending the original manufacturer's warranty while also covering a wide variety of equipment. Coverage is available for both new and used equipment, and there is no deductible or burden of proof necessary. All Cenex requires is a fluid sample from each oil change and the exclusive use of quality Cenex diesel fuels and lubricants.

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We can provide you with all the details on the Total Protection Plan, or you can find them at [cenex.com](http://cenex.com). We also carry a complete line of quality Cenex fuels and lubricants. «



# Be Prepared for Fall Fieldwork

» *By Chad Nelson, Agronomy Manager*



With harvest rapidly approaching, now is the time to start planning for fall soil sampling and fertilizer application. We like to get into your fields to sample as soon as the crop comes out, so let us know now if you want to sample and whether you want composite or grid sampling. We'll put you on our list.

Services offered this fall include custom application of dry and liquid fertilizer, and custom anhydrous. We also have anhydrous toolbars for your use, as well as spreader carts for rent—including two variable-rate carts. On the seed side, we have a good selection of cover crop seed and seed mixes, and have been seeding cover crops into standing corn by air this summer—something to consider for 2018.

Fertilizer prices continue to be a bright spot in the ag economy, with P and K flat compared to last year and N the cheapest it's been in 10 years. Our billing terms for fall fertilizer will be the same as in years past. Full payment is due by January 10, but you also have the option to pay before the end of the year—whichever works best for you.

We have convenient in-house financing options available. CFA financing can be used for fertilizer, seed, chemical and fuel. We also handle the applications for John Deere financing, which can cover seed and chemicals. If you're interested in either program, talk to one of our agronomists.

## Watch your monitor

As you bring in your crops, keep an eye on the yield monitor to evaluate how your seed performed. Knowing what worked where is the first step in firming up your 2018 seed orders. We'll be coming around as harvest winds down to talk about seed choices for next year.

Remember, we have a weigh wagon to use for seed evaluation. Here's hoping your yields are surprising in a good way this fall. «



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# Corn Pile Keeps Growing

» By Nathan LaFerrier, Grain Merchandiser

On Sept. 12, the USDA issued their supply and demand report. This report pegged corn production for 2017 at 169.9 bu/A, up .4 bu/A from their previous estimate, for a projected total 2017 harvest of 14.2 billion bushels. This increase in production, countered by a 20-million bushel reduction in 2017 carryout, added a net 12 million bushels of supply to the balance sheet. At the same time, demand was cut by 50 million bushels. Supply minus demand leaves us with 2.2 billion bushels of carryout on Aug. 31, 2018.

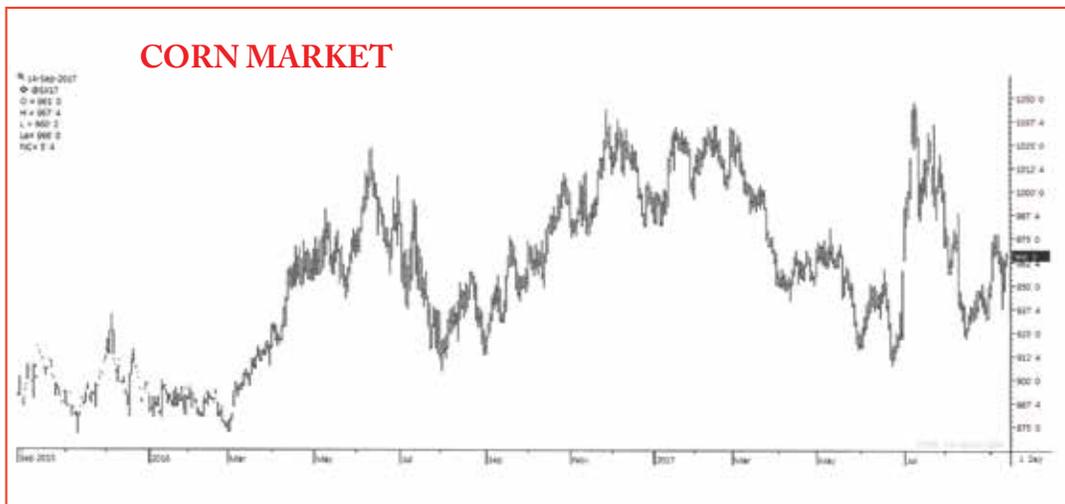
Southeast Farmers offers many pricing and storage contracts to producers. One example you may want to look at as an alternative to storage is an option strategy that allows pricing of grain for new crop and re-owning the grain with July calls.

It's a strategy that works due to low market volatility. This tool can get you further through the marketing year at a fraction of the cost of storage.

Please call to discuss what option best fits your operation.

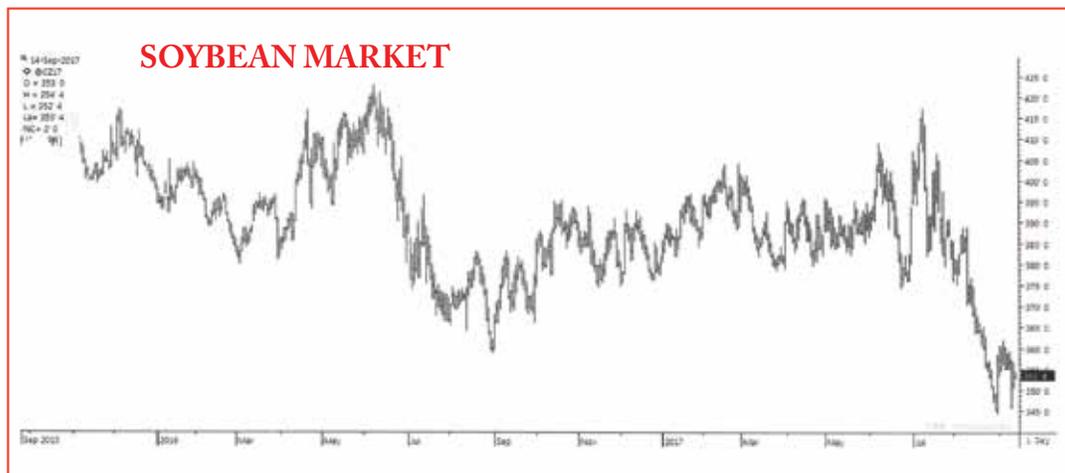
## Soybeans

The USDA increased soybean yield by .5 bu/A. This increase was offset by a reduction in 2017 stocks and an increase in 2018 exports, leaving carryout unchanged at 475 million bushels. Doing a Min/Max contract on beans is an alternative to delayed price contracts. «



## Southeast Farmers offers many contracts to aid in your marketing plans

- Forward Contracts
- Basis Fixed
- Min/Max Contracts
- HTA Contracts
- Basis Premium



## Southeast Farmers also offers CHS Hedging Compass Contracts

- Cash Plus
- Daily Price Plus
- Price Builder Bonus
- Foundation Contracts



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## Propane Contracts Available

We offer prepay contracts for the 2017-2018 heating season. For details, call our office at 605-253-6150.

Visit our NEW website [southeastfarmers.com](http://southeastfarmers.com) for news, cash bids and more!

## Help Us Keep Harvest Moving

Having everyone on the same page when you bring grain into our terminal will help keep trucks moving and get you back to the field as quickly as possible. Here are a few reminders to help that process.

### Terminal truck scale checklist

1. When you pull up to the probe, make sure the producer's name and action is correct on the board. If not, use the intercom to inform the scale operator of necessary changes.
2. After the moisture is displayed, the message will read "Proceed to the Scale."
3. The board on the scale will display the name on the ticket. If this is incorrect use the intercom to inform the scale operator of the changes that need to be made. When the weight has been captured, your dump destination will be displayed on the board.
4. Once empty, proceed to outbound scale. When the scale grabs your weight, a ticket will print. **Please take a second to review this ticket.** If you find any discrepancies, use the intercom to inform the scale operator. It's much easier to correct at the scale than to locate and fix weeks later.

**Any name change that needs to be made after the ticket has been printed will incur a \$25 fee.**

All our grain policies and discounts can be found on our website, [southeastfarmers.com](http://southeastfarmers.com). «

