



Summer 2017

All Things Considered, a Solid Spring

» By Don Truhe, General Manager

In a spring when weather troubles were widespread throughout the country, we fared relatively well in our trade territory. Indeed, some corn acres were lost to water holes, which is to be expected when you receive 3-5 inches of rain in a short period. We saw quite a bit of yellow corn initially, but drier conditions, the sun and warmer temperatures are taking care of that.

Back to the national perspective, projections on the corn crop have shortened somewhat. Planting corn on May 15 rather than a month earlier will lower the top-end yields. The same will hold true for June beans. In what could be a record year for corn replanting, we'll have to wait and see the impact spring weather—and the weather yet to come—will have on crops and markets.

Successful agronomy season

The spring season went extremely well. Our team did not go home any night without getting all the fields covered the day they were called in. In fact, our capacity allowed us to pick up acres where farmers were ready for bean pre-herbicides, while other suppliers were still doing overlays on corn. We had the ability to get the job done when needed.

With the capabilities of our new facility, we don't have to get to a field at 5 a.m. and wait for the sun to come up, and we're getting our people home at 7:30 p.m., rather than 10:30. That's because we don't have lengthy delays in the field while our applicators wait for a tender. The speed at the hub makes a huge difference in our ability to cover acres efficiently.

Timing was also nearly perfect this spring, as operations got started, and largely completed, in the south before the rush got underway in the Beresford area. That allowed us to move our equipment and personnel north to handle that area. Our facility ran well, and we had excellent part-time help to top it all off.

Going sideways

Moving to the grain markets, we've been locked in a 20-cent trading range with corn since September. And, of course, recent events have caused the soybean market to take a \$1 hit. Bean demand is simply not keeping up with supply. On a mildly positive note, recent projections indicate we're not going to raise as much corn or wheat as we'll use this year, which should help those markets at some point.

The next big challenge for this cooperative is making room for harvest when almost everyone is holding on to their corn. Beans won't be a problem, but the market simply hasn't given any incentives—moving significantly higher or lower—to sell corn. If everything that is on the farm waits to come in until we have a corn crop and the beans are made, we're going to have a difficult time moving it. End-users will not be the answer, as they will be in the same boat.

So far this year, our grain margins are fair. We know, however, that the margins we'll see in the next two months will not be as good as those in the first 10. We are ahead of last year, but would like to be further ahead. Like you, we're doing our best to find opportunities in this extremely challenging ag economy.

As I close, I would like to acknowledge the retirement of an incredibly loyal employee, Lloyd Uhrich. For 45 years, Lloyd has been driving, dumping trucks, blending fertilizer and maintaining our equipment in Elk Point. It's probably going to take more than one person to replace him. We wish you the very best in retirement, Lloyd. «



After 45 years, Lloyd Uhrich is retiring.

Weather to Be Main Market Driver

» By Nathan LaFerrier, Grain Merchandiser

As the corn chart shows, the corn market has been in a narrow trading range since October. The purple line shows a 62% retracement from our low in September to our high from last June. For the market to see last June's highs, the U.S. will need to experience a major production issue in corn and stellar exports. With the later start to corn planting, pollination across the country should be in full swing the week of July 10.

Beans

Beans keep trying to climb out of the cellar but face strong pressure from South American farmers when prices rise. Crop conditions will be monitored closely from late July into August to see if a production issue unfolds. South American stocks

will continue to pressure the market if demand falters. The bean chart shows that new-crop prices have rebounded by 24% since falling in March and bottoming in late May. This chart also shows where support and resistance values are within this range. With demand held constant, August weather will be the main price driver.

Southeast Farmers offers many different pricing contracts to aid in your corn and soybean marketing plans. Give us a call to see which ones are the best fit for you. «



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Keeping Your Crops Happy

» By Chad Nelson, Agronomy Manager

As we move into the heart of the growing season, here are a few agronomic thoughts to consider in the push to harvest all the bushels you can.

Though the window is closing, there is still time to topdress your corn. With the amount of moisture we've received, if you have any doubt about your nitrogen levels, this is the time to deliver some additional N. Consider tissue sampling your crop to see exactly what it's lacking. We can address any deficiencies and head off potential problems at pollination that could rob yield.

This is also prime time to scout your fields, not only for weeds, but also insects in beans and corn. As we move closer to pollination and tasseling, check for signs of leaf disease to determine if a fungicide application is necessary. Again, excess moisture provides the right conditions for disease development.

As you're making the last herbicide pass or applying fungicide to your soybeans, add a foliar feed product. Foliar feeding costs less than a bushel per acre and can deliver a

significant benefit on top-end yield.

If regrowth after your second alfalfa cutting seems slow, you may have an insect problem. Let us look at your fields and do some net sweeps to see what may be slowing recovery. Also, consider fertilizing to add tonnage and strengthen the stand for next season.

Finally, as harvest approaches, let us know if you're considering putting in cover crops on your corn acres. Cover crops—like winter rye, triticale, clover, turnips and radishes—are a great way to build organic matter, keep soil in place and reduce compaction. For the livestock producers, they provide additional nutrition as cattle graze stalks.

We can provide cover crop seed, and have an airplane available to fly on cover crops over tasseled corn—typically in August. We're here to help, so let us know how we can work with you this growing season. «



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A New Perspective on Safety

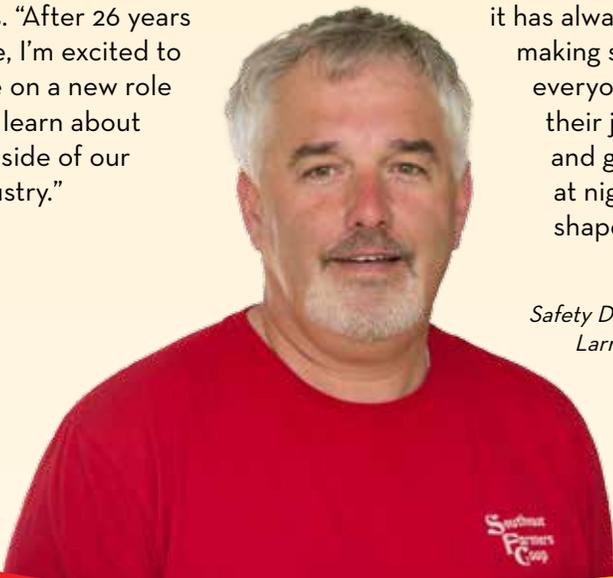
As a Southeast Farmers employee for a long time, Larry Bork was very familiar with the importance of safety from a worker's viewpoint. Now, as the new safety director for the cooperative, he's learning about everything involved in creating a culture of workplace safety.

"There is a lot that goes on behind the scenes with safety that you don't realize in the day-to-day routine," Larry says. "After 26 years here, I'm excited to take on a new role and learn about this side of our industry."

Larry will be training extensively in the next few months, attending OSHA schools and working with a representative from our insurance agency who specializes in safety and regulation.

"The regulations keep increasing and the standards changing, so keeping a cooperative informed and in compliance is a full-time job now," Larry comments. "The end goal is the same as it has always been—making sure that everyone does their job safely and goes home at night in good shape." «

Safety Director
Larry Bork



Keeping You Safe

It's propane summer-fill season, and that means our drivers will be making their rounds. They will also be replacing any tank regulators that are 15 years old. We are required by law to perform this service, which is critical in maintaining the safety of your system. Replacement costs are the responsibility of the homeowner. If you have any questions, please call our Burbank office. «