



Spring 2018

Better Margins Brighten Grain Picture

» By Don Truhe, General Manager

Thanks to a big grain handle last fall and the fact that we had so much grain still in storage when the harvest came in, we have a lot of grain to move before spring. The grain is all under cover and remains in excellent condition, and we have several trains scheduled over the next four months. Until we head into the fields, our crews will be working hard to gain as much room as possible.

The good news is, there's a significantly better payoff for our effort than there has been for the past five years. We saw carries in the market that have been absent for some time, and Nathan was able to lock in those carries. We have a lot of grain sold from April through July with improved margins, and that is a hopeful sign.

Our six-month financials confirm we're pointed in the right direction, with our income substantially ahead of this time last year. While there are still plenty of challenges ahead, we're happy to see positive grain numbers again.

We also enjoyed a phenomenal fall fertilizer season, applying 35% more tonnage than the average of the previous two years. We were able to serve some new customers, and we also lightened the spring workload for many of our existing patrons.

Pacing ourselves

As we continue to balance facility improvement with wise financial management, we don't plan to undertake any projects in the near term that would require us to borrow money. We're targeting 2020 as the next date to consider major investments in facility speed and space.

In the meantime, we do have some smaller projects we hope to take on. With two long-time Beresford employees retiring recently and the challenge of finding solid replacements, we need to be able to cover more ground

with fewer people. So, we are looking at some automation for Beresford that would enable us to control from the office all the legs and conveyors on the property. This will allow us to turn equipment off that we now keep running just because there's too much ground to cover, lowering electrical bills and reducing wear on the equipment.



We would also like to install an outbound scale in Beresford to increase efficiency and improve traffic flow. Again, the timing of these projects will depend on how our year shapes up financially. We are replacing two dry applicators and two sprayers this year, which you'll read more about in Chad's article on page 3.

Speaking of those Beresford retirees, I would like to wish Jerome Raterman and Lloyd 'Babe' Saugstad all the best in their retirement. They were tremendous long-term employees and will be missed. The good news is, both will likely continue to work on a part-time basis, so you'll see them around.

In closing, I want to encourage everyone to watch the markets and take advantage of rallies as they occur. We took in a lot of corn under \$3 and beans under \$9 last fall, when there were opportunities to lock in \$3.50 and \$10. Talk to Nathan about strategies to work the markets to your advantage. «

Southeast Connect is the place to find your important account information, including prepaid contracts, field application history, AR balance, and grain contracts and balances. Give us a call at 605.253.6150 to get set up or for help in navigating the site.

Weather, Exports Driving Markets



» By Nathan LaFerrier, Grain Merchandiser

Our corn chart shows the price movement of December 2018 corn since last June. As large crops were seen last fall, the market experienced pressure due to increased supply. During this time, world corn demand was there but was being serviced by cheaper stocks throughout the world. In both November and December, the USDA published carryout numbers that confirmed increasing U.S. stocks and the market traded sideways to lower until Argentine weather took center stage. This South American weather pattern has been the driest since 1980.

World corn demand continues to click along, and the U.S. has seen export

demand show up. U.S. corn exports should pick up, thanks to production shortfalls in Argentina. USDA will release planting intentions on March 29, then weather will be the focus going forward.

Southeast Farmers Coop offers may contracts to fit into your marketing plan. Call with any questions.

Soybeans
The bean market has been setting new crop highs in recent weeks

MARCH 2018 USDA SUPPLY AND DEMAND SNAPSHOT

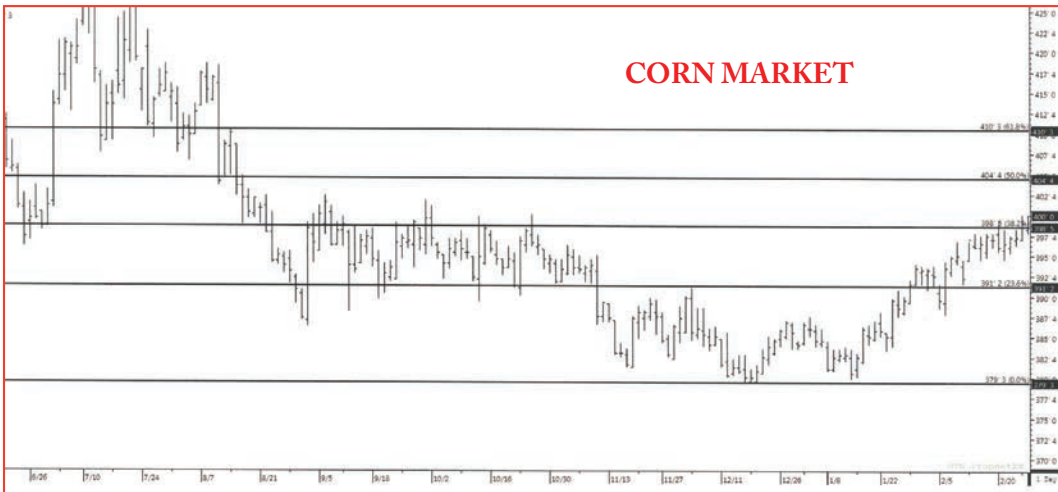
U.S. Ending Stocks (3/8/17)	Carryout	Reaction
Corn	2.217 (down 225 mbu)	Bullish feel
Beans	555 (up 25 mbu)	Bearish tone
World Stocks		
Corn	199.7 mmt	Neutral
Beans	94.4 mmt	Bearish
X		
Corn	113 mmt	Friendly
Beans	47 mmt	Friendly

in response to adverse growing conditions in Argentina. World demand continues to march forward with the Chinese being the main destination for world production. With the recent trade discussions around the world, uncertainty may not equal higher prices.

USDA's bean carryout number looks to put a damper on upward price action. The market will be looking toward planting intentions for price direction. As we progress through the production cycle, be sure to have offers in place to take advantage of pricing opportunities.

Southeast Farmers offers direct bids into many destinations. Give us a call to see what may work best for your operation. «

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Plan to Boost Springtime Efficiency

» By Chad Nelson, Agronomy Manager

We're seeing some signs of spring, and that means it's time to tie up the final loose ends and get ready to head back to the fields. Let's start by talking about your fertilizer needs. Prices have strengthened throughout the winter, primarily for urea and phosphates. A lack of imports has put pressure on U.S. inventories, pushing prices higher. With that in mind, if you haven't contacted one of our sales agronomists to get your field plan ready, now would be a very good time to do that.

With all the work we got done last fall, I think spring will be fast and furious. If we stay on the dry side, we should be able to get into the fields pretty quickly, so we all need to have a plan in place and be ready to go.

Moving on to seed, we still have a great supply of top corn hybrids and soybeans varieties on hand. If you've been waiting to make a final decision on some of your acres, contact one of our sale agronomists to get what you

need. We'll make sure you place the right genetics on the right acre.

We can also help finance that seed, with financing available from John Deere for Monsanto seed and chemicals, as well as CFA financing.

Dicamba preparation

As we all know, this is an important year for dicamba-tolerant soybean systems. If you're planting Xtend™ soybeans, you need to keep very careful records of which fields are being planted with which beans—particularly if you are planting some fields with traditional Roundup Ready® or Liberty® beans. For those fields we will be spraying, it would also be extremely helpful if you can give us an idea of what your neighbors are planting adjacent to your Xtend beans.

If you plan to spray dicamba on your own, remember it is now a restricted-use product. If you didn't attend a training session this winter,

you will not be able to apply this product.

Continuing on the topic of crop protection, this is the time to put together your crop protection game plan for both pre and posts. This will help ensure that we have the right products on hand in our warehouse when you need them.

We'll be offering our full menu of products and services this spring. This includes custom dry and liquid fertilizer, pre and post chemicals, VRT application and equipment for your use—pull-type fertilizer carts, anhydrous toolbars and liquid knifens. We've also added four new applicators—two dry spreaders and two sprayers—with the latest technology to get the job done quickly and accurately.

We're ready for spring. Come in and talk to us to make sure you are, too. «



Improving Service, Cutting Costs

The addition of four new applicators not only allows us to better serve the needs of our customers, but will also enable your cooperative to save money.

For starters, both of our new dry machines will be capable of topdress application. That alone will save us more than \$20,000 annually in equipment rental costs. It will also enable us to better meet the growing demand for later-season nutrient application. One of these machines is a Case Triton 5550, and the other is an RBR Venturi 350 with a Case Flex-Air® dry box.

Our new sprayers are both John Deere

R4045 sprayers featuring chemical injection technology. This allows us to place chemicals directly into the sprayer line rather than tankmixing them. This makes cleanout between products quicker and easier, wastes less water and enables us to move between different chemical mixtures more efficiently.

This system is a good fit for the newer crop protection technologies. «



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All Set to Ship Seed

» *By Brady Andrews, Seed Specialist*

It's hard to believe we will be planting in a short few weeks, but it's true. So, this short window between now and planting is all the time you have to decide how you want your seed delivered. For corn, we can start delivering any time you can take it. Make sure to mention how you unload your seed pallets so we can unload without problems when we arrive. With soybeans, we can treat and deliver right to your seed tender or you can pick up the seed at the Spink location.

If you have a game plan, let me know so I can accommodate it to help your planting season go smoothly and efficiently. Something else to keep in mind is how you want to have your seed billed throughout the season. Knowing this ahead of the rush will help keep our billing records organized.

We offer a variety of seed treatments and inoculants at Southeast Farmers. Our primary treatment is Seed Shield, which provides full disease and insect protection for your valuable seed. Our main product for inoculation is First Up® ST, which has three main components. The first helps with earlier nodule development for better nitrogen fixation, the second helps trigger beneficial soil fungi that strengthen and



enhance the root system, and the third beneficial component is a very effective strain of Rhizobia. We've had good success with both Seed Shield and First Up ST.

If you have other treatments that you would like to try, let me or one of our sales people know so we can get it ordered.

You can reach me at 605.253.6150 with any questions regarding seed. I hope everyone has a safe and smooth planting season this spring and we thank you for your business. «