



Farmer's Pride

The Real Value of Partnering With Your Cooperative.

by Dean Thernes, President/General Manager

Once again, the spring has been filled with challenges. Last year, Mother Nature played a major role and this spring the collapse of the economy has proven difficult. I certainly want to thank you, the member owners for the support that you have once again given us this spring. I know that many of you had opportunities to purchase products cheaper from one place or another. However, many of you see the real value of partnering with your cooperative. We offer quality products and have a dedicated employee group to help you through the spring rush. At this time a year ago, our suppliers were telling us that we needed to get products as the global market was very complete and there would not be enough products to service our membership. We were very aggressive in purchasing product to assure you product availability to put in your crops. Wow!! What a difference six months later. We go from having limited supply to all kinds of product availability and large price moves weekly. I feel confident that our customers were given quality products to complete spring planting operations.



The cooperative is looking forward to next year for pricing opportunities on both the crop input and the grain sale. This is so we don't get caught as some of us did this year by purchasing or input and not looking in the grain on the other side. We are here to help with both sides of that and there currently is a nice margin in-between. So let us help you get started with next years programs. I know you may say that we need to get through this year first, but with the large decline in fertilizer products, and the fund wanting to run the grain markets higher, now may be the best opportunity for next year's net return.

This year we are planning on adding 250,000 bushels of additional grain storage at the Bloomfield location and are looking at other locations for next year. We know that time and space is important to you the member owners. Our board of directors are committed to make these improvements as we go forward, as long as the cooperative continues to be successful. With your continued support these opportunities will happen. We thank you for your business and look forward to serving you in the future. I'm also happy to tell you that the fiscal year is off to a nice start, that we should have another successful year like last year.

As was talked about at the last annual meeting, the equity retirement will be presented to the board of directors at the June meeting and pending their approval we will be sending out approximately \$400,000 in cash to you the members, by the end of August. The money will go to membership by age and by year of business. We look forward to putting the money out to the membership in tough times and how you will always remember the benefit of doing business with yourself through the cooperative system.

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Grain Department

by Dean Thernes

The grain market is certainly not making any sense. However, there are opportunities to catch some gains on marketing if you haven't been keeping up. Fundamentally we should not be at the current levels. However, as long as the energy market continues to run, the grain market follows. Seasonally we are at a time period where the market will top out soon. Given the current economic inflation fears and the speculators participation in the market, anything can happen. I do encourage you to use this rally as a marketing opportunity. I also suggest you give careful consideration to the 2010 crop year as well. With the current crop input cost for next growing season, it makes sense to start your 2010 crop marketing program. We will be offering 2010 contracts to producers who purchase agronomy inputs from the co-operative as a way to protect your margins.

Please keep an eye on the grain that you have in your bins. Our elevators are starting to see a lot of damaged and wet grain from producers. We have the "price later program" in place that allows you the opportunity to haul the grain into town now with minimal service fees applied.

Offer contracts are available to use if you have a price objective in mind. Let our staff watch your price target and you can continue on with your busy schedule. We will notify you and send you a contract if your price objective is met.

The delivery program is a popular program you might find useful. We can give contracts for corn and soybeans delivered by you, the producer, to different elevators in the local area. So if you like to deliver to Columbus, Dryfus, or Agrex please check out our bids to those locations.

If you have some wheat and are looking for a place to go with it give us a call. We may be able to pick it up out of the field for you or help you with your wheat storage and delivery needs. The Grain Department is here to provide marketing services for you.

**COUNTY FAIRS
ARE FAST APPROACHING!
GOOD LUCK
TO ALL 4-H'ers
WHO WILL BE
PARTICIPATING!**

Office News

from Linda Berg, Office Manager



Budget! Budget! Budget!

Seems like that word is hitting everyone these days. Our propane budget for this past year has worked very well for a lot of our customers. July is sign up time and if you would like to sign up give me a call (402) 675-2375. For those that took part in the budget last year have a credit balance on their account and yet some still owe. The credit balances will remain on your account to be used for the following year's propane. The budget accounts with a balance need to be paid in full by July 31st and for next year we will need to raise your monthly payment to fit your needs.

Many of our customers are taking advantage of our monthly discounts if paying by the 15th. For those who mail their checks at the end of the month we cannot give a discount. For customers with past due accounts you might want to talk to your banker to get it paid off because their interest rates will be a lot lower than ours. As always you can give us a call at any time to discuss your account plans.

With summer in full swing now, just want to remind everyone to be safe. Maybe by the time you get this newsletter we will have gotten our much needed rain.

**Have a great year
and remember we are here to serve you.**

Great Summer Recipe: Peanut Butter Logs

- 1 cup chunk style peanut butter
- 2 T. Margarine
- 1 ¼ cup confectioners sugar
- 3 cups rice krispies

Blend peanut butter and margarine, stir in sugar. Add cereal, mixing well. Shape into 3 logs 7 x 1 ¼". Wrap in foil or clear plastic, chill. Slice ½" thick. Makes 1 pound.



Energy Department

by Bryan Daum, Manager

PROPANE CONTRACTING

We are now offering propane contracts for your Fall and Winter needs. There will be *three options available* for you to choose from.

OPTION 1: Full Prepaid Contract – requires 100% payment of your contracting needs.

OPTION 2: Fixed Price Contract – allows you to lock in a price that will not fluctuate with the market up or down. This contract requires a prepayment of .10 cents per gallon paid at the time of the contract is made. The balance will be billed at the time of delivery.

OPTION 3: Max Price Contract – this option sets a ceiling price and will drop with the market if it is lower but will not exceed the contracted price in an up market. This will give you unlimited downside protection. The max price contract requires a fee of .10 cents per gallon that will not go towards the price of the propane.

Contract period runs from September 1, 2009 through April 30, 2010.

All contracts are on a “Keep Full” basis.

SUMMER – FILL PROPANE

Just a reminder to make you aware of our summer-fill propane program. We will fill your propane tank in the months of July and August, at the designated summer-fill price. We will not invoice these gallons until the month of September, making the balance due October 15th. Take advantage of this program, be prepared for the next heating season. This program also allows Farmers Pride to deliver product in a non-peak delivery period.

Battle Creek News

by Dawn Pochop, Human Resources & Safety

We hope you are having a happy and safe summer! While our Battle Creek location has been busy, we also have been missing out on the rain that some of our other locations have gotten. Some of you have also noticed we have had some staffing changes in the past few months. Dave Tomka, our Location Manager, has left the cooperative after 25 years of service. Dave has moved to Washington State where he has taken a job that is closer to his children and grandchildren. Lynn Finkral, Administrative Assistant, has resigned her position to be an at home mother to her teenage girls and help her husband on the farm. Thanks to both Dave & Lynn for their years of service to the cooperative.

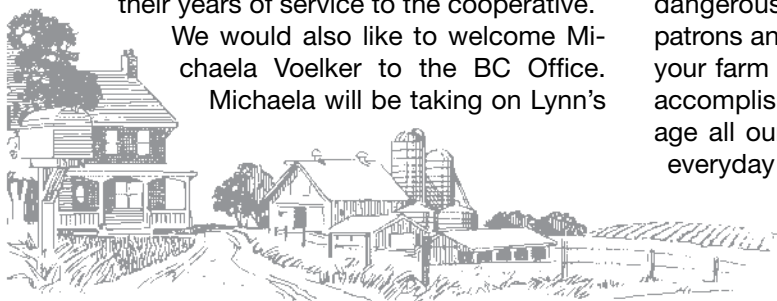
We would also like to welcome Michaela Voelker to the BC Office.

Michaela will be taking on Lynn's

former duties in accounts payable and invoicing, helping Linda with various accounting duties, and also assisting at the grain scale. Michaela lives in Meadow Grove with her husband Jason and their children Kaison (3 ½) and Keira (9 months).

Now is also the time of year for grilling. Stop in and get your empty grill bottle exchanged today! We also have a full-range of lubricants & oils available for your summer pivot and irrigation needs.

June is National Safety Month. Did you know that tractor accidents on farms cause the highest number of fatalities among farmers and that farm occupations are rated #5 in the nation's most dangerous jobs for 2008? We encourage all our patrons and families to practice safety everyday in your farm operations. We are proud of our safety accomplishments at all our locations and encourage all our patron and families to practice safety everyday in your farm operations.



Bloomfield News

by Meril Friedrich, Location Manager

Where is the warmth of the sun? Spring flew by with planting, sowing, and groundwork and now is the time for the growing. Sure could use some help from the sun to make the crops grow. The temperatures have been cool so patience is needed before you go out and spray your fields. Many of the chemicals need a certain temperature to work at their maximum. Jason and Roland have been busy spraying fields. Call Meril for your custom applications, fertilizer, or chemicals needs.

Dean and Meril have been busy in the grain department with the probable addition of a new bin. This would be a great addition at our location to better serve our customers. The last three years have seen great crops and bountiful harvests in our area. Okay, we were just discussing planting and now to harvest. Hate to admit how the time flies. We are trying every year to improve the service to the customers to make your harvest run smooth and efficient.

It's also time to think about fall home heating. The summer fill program will be in effect in the months of June, July, and August. The advantage of this program is the cost of propane is usually less in the

summer. Every year, we would appreciate if you as a customer would contact us about the "Keep Full" program. This program is an advantage to the customer as we will fill your tank on the route, which is usually once a month. Please contact us for information on this program. There will be propane contracting information included in the news letter. If you have any questions, please call. We are striving to improve our service and options to you the customer. As always, we would like to thank all our customers who read their tanks and call in a timely period. If we are notified when the tank is at 20%, it makes the scheduling of routes and deliveries more efficient. Fuels seem to be on the rise. We have been contracting for the summer months and also for the fall months during harvest. Give us a call and we can discuss your options.

Okay, you can start the music again. Enjoy the summer, watch for the kids on the way to pool, ball games, and just having fun.

***Stop in for a cup of coffee and conversation.
Be safe and enjoy your summer.***

NOTICE - FOR SALE - All items at Oakdale Location

GRAIN BINS - 3 bins
(8,183 bushel capacity each)
Full floor aeration
24 ft diameter - NO fans.

GRAIN FLAT -
90,000 bu corn - 200' x 40'.

GRAIN DRYER -
1000 bu/5 hrs @ 20%.

WOODEN ELEVATOR -
to be torn down.

Sealed bids to be sent to BC Office by July 15th. To be removed from site by September 1st. Coop reserves right to accept/reject any or all bids.



Agronomy Department

by Bryan Hoffman, Agronomy Department Manager

Developing Programs to Help Farmers.

What a difference a year makes. Last year I was writing in this article about how difficult it was getting the crop planted with all the weather situations and this year we hardly had any delays in planting. Last year the fertilizer prices were climbing and this year the fertilizer prices have been dropping. So how do we know what is coming or what we should do for the future, as for cropping decisions and prepaying fertilizer?

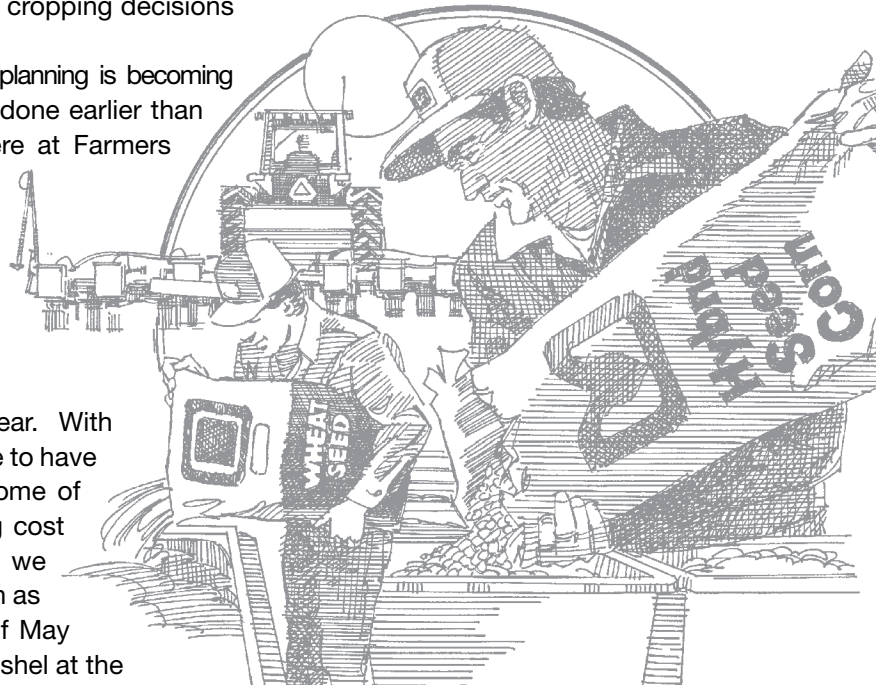
As I wrote in last years article planning is becoming more critical and needs to be done earlier than we have in the past. We here at Farmers

Pride are currently working on a program that will help the farmer limit their risk of pre-paying fertilizer. Our idea is to have a program that the farmer would offset a prepay of nitrogen fertilizer with selling of a corn contract for the next year. With this program you would be able to have your income locked in with some of your input costs. In reviewing cost comparisons for this program, we saw liquid nitrogen cost as high as 18.8¢ per bushel at the end of May 2005 to as low as 11.9¢ per bushel at the end of May 2009. This is the type of information that we want to be able to share with you to help make good business decisions for your farm. We are still working on the particulars for this program at the writing of this newsletter.

In the last newsletter article I wrote, I explained about the fertilizer market and how the dramatic drop in prices could create problems for supply in the future. A program like the one I discussed in the previous paragraph could elevate some of the market risk for both the farmer and the dealer. Thus this could be a way to overcome some supply issues.

We do need to take care of the crop this year before we completely start working on next years. As we go forward in this growing season some things we need to make sure we keep an eye on are: disease pressures, irrigation scheduling, and weed size. With the commodity prices not being as high as last year the economic threshold for treat-

ing a disease with a fungicide is a little higher, but treatment still could make good economic sense. Irrigation scheduling is always important and makes sense not to waste water by over irrigating. One of the most common mistakes in spraying (since Roundup Ready crops have come out) is to wait and spray when the weeds are larger so you can maybe get by with one less application. Usu-



ally the glyphosate rate has to be higher to get the bigger weeds and sometimes it will not get them. It also means that the crop is competing longer with the weeds for water and nutrients, thus you could be losing yield.

As you saw earlier in the article we are working on a program to help farmers work through these volatile times. If you have questions on any of our programs please contact any one of our agronomy staff. We have an excellent agronomy staff at Farmers Pride. If you currently do not use them I invite you to give us a try and if you do I hope that we can continue to work with each other for the future. Start planning for next year.

**Thank You for your
current and past patronage.**

Newman Grove Update *by Randy M. Benson, Location Manager*



Our Fathers of Rural America

We owe a lot to our parents, but at this Fathers Day time I'd like to pay tribute to the fathers, especially those that are tied to agriculture. Remembering the stories my father told me about going to the harvest fields of Minnesota and eastern Nebraska during the Great Depression. It is hard to imagine the thoughts of those young men entering the workforce out of high school; drought, pennies for corn and hogs, and jobs being scarce.

I've observed people of my father's generation, never waste, don't buy what isn't necessary, and to some extent, don't take big chances.

Our fathers have set the standard for hard work. They have taught us life lessons about how to respect our neighbors and how to treat people the way we expect them to treat us. They taught us how to appreciate our community, friends and family. They taught us that education is something no one can ever take away. I believe that those in agriculture, who are descended from my father's generation, have grown up sharing these standards.

Agriculture has always had its challenges and probably always will. All of us must work more like neighbors in the future if we are to assure there will be opportunities for new generations of farmers.

I'm thankful for the opportunity of growing up on the farm and after college farming side by side with my father. It wasn't the lessons he gave me about planting, welding, and animal husbandry that were most important. It was the lessons about being honest, having respect for what life has to offer, and one very important value, dealing with whatever comes your way.

Thanks, Fathers of America, you have been the backbone of the past, you are the mainstay of today, and will lead the sons and daughters of agriculture into the future. Thanks for letting Farmers Pride Coop be a part of that history in rural America. We will strive to earn your business in the future, as we have done for the past generations.

I want to thank our customers for your support this spring; we appreciate the opportunity to serve you and strive to help grow your business. When you're ready for that field to be sprayed, need fuel in the tank, or any other service or product, give you're local dependable Farmers Pride Coop a call, we'll be right there.



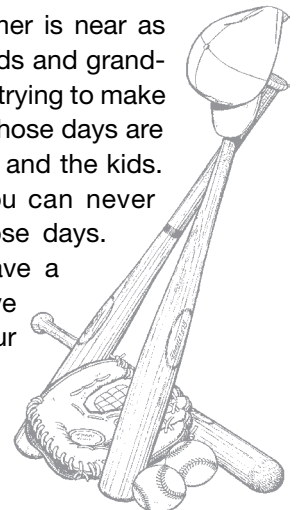
Osmond News

by Ron Woslager, Location Manager

Here at the Osmond location, in our grain department, we have been shipping both soybeans and corn. We will start sweeping and making repairs to soybean bins before harvest starts. We are also starting to ship corn to Sooland Ethanol by rail. We have several thousand bushel sold so we will be cleaning out the flat storage and bins. We hope to have the bins empty by harvest time.

In agronomy, we are starting to post spray both corn and soybeans and many of our customers are side dressing corn. The guys outside are busy loading trucks, filling anhydrous tanks, and delivering fertilizer. In our spare time we are trying to clean up and mow to keep the location looking good.

You can tell that summer is near as some employees have kids and grand-kids playing ball, and are trying to make it to their games. To me those days are important times for them and the kids. As many of us know, you can never go back and relive those days. So I hope all of you have a great summer and have some time to enjoy your families.

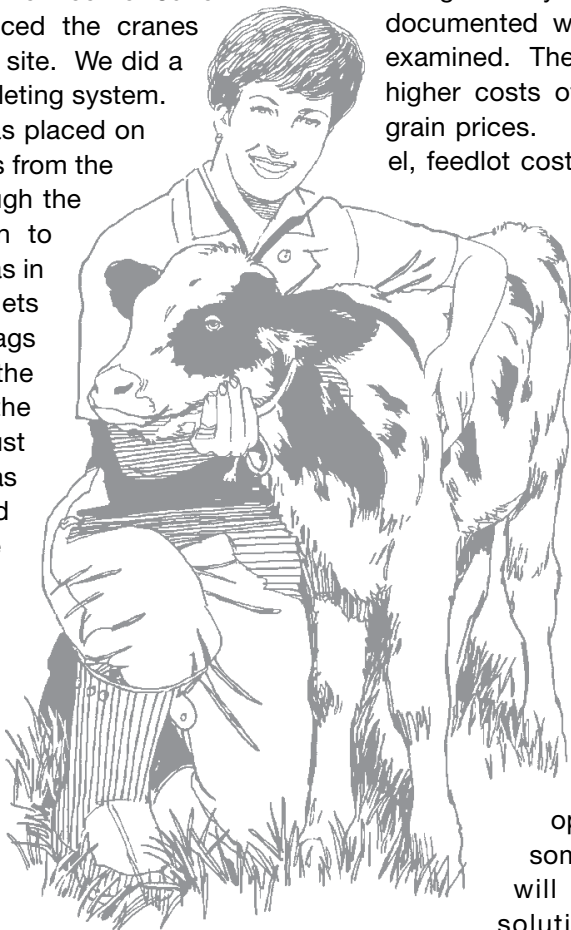


News from Progressive Nutrition *by Merlin Schlote, CEO*

In preparation for this newsletter article I reviewed the article written one year ago. Things are certainly very similar with the one exception being energy prices, but they are on the move. There are several exciting things happening at Progressive Nutrition. For those of you who drove by the Norfolk mill during the week of June 1st you undoubtedly noticed the cranes and construction crews on site. We did a major renovation of the pelleting system.

A feed cleaning system was placed on the roof to remove the fines from the pellets prior to going through the new distributors and then to the bin. Our old system was in the basement and the pellets were handled with legs, drags and distributors prior to the bin, thus creating fines in the pellets. Our first pellets just went through the system as I am writing this article, and they look fantastic. The driving factors to make the changes were to enhance feed quality, reduced shrink and reduced energy costs. All objectives were met with the project and we are excited to share the results with our customers.

A couple of timely topics need to be mentioned at this time. The first is an emerging issue in the cattle industry of parasites becoming resistant to anthelmintic products (worm and lice pour-ons). We are recommending a program of strategic deworming, this involves worming at turnout if the cattle were not wormed in the fall, followed with another worm treatment in 6-8 weeks. The research indicates Safe-Guard is the product of choice for this program as it is not directly related to the pour on products. In the past, delivery to the cow or yearling was the problem. We have developed a mineral product that contains Safe-



Guard and is to be fed for 3-6 days. Ask your feed consultants for details and the benefits to your operation.

The second topic is creep feeding. Prices are roughly \$60/ton less than last year. Another similar phenomenon to last year is the feed yards are telling us they want only big cattle. This is documented when placement weights are examined. The reason is simply due to the higher costs of gains associated with the grain prices. If we have corn at \$4/bushel, feedlot cost of gains will be in a range of \$70-\$80 per 100 lbs of gain. With the current economics, costs of gains are approximately \$52 per 100 lbs of gain for creep feeding. So if you are selling your calves off the cow or retaining them through a background or finish system, the additional weight gain from creep feeding is very beneficial. Visit with your feed consultant about the impact to your operation.

Lastly, Thank You for choosing Progressive Nutrition as your supplier. The opportunity to serve you is not something we take lightly. We will constantly strive to find solutions to reduce production costs in your operations. As Mavi Kumi stated, *"What makes life interesting is its twists and turns. Without that, it would have been predictable, flat and downright boring."*

**Thank you again
for your business and
embrace the twists and turns.**

Progressive Nutrition = The Leaders in Animal Nutrition

Greetings from Neligh & Oakdale

by Anna Crabtree, Location Manager

Did you know that Farmers Pride has a website with a wealth of valuable information at your fingertips?

www.bccoop.com

This website provides you with each location's grain bids, weather forecasts, livestock and grain futures, our fuel prices, local and world news and market information. All of this and so much more, on just one page. Check it out and see what you have been missing.

The markets have been pretty crazy lately. But this gives us a chance to lock in some profitable new crop prices when the speculators make the market move. Give us a call at anytime to get our bids. We will also watch the markets for you and give you a call when your target prices hit. This way you can concentrate on your other responsibilities and we can watch the markets for you.

As we all knew it would be, corn has been very difficult to keep this year. Careful watching and aeration are key to keeping this corn, even more so this year than in a normal year. All the comments that I have been hearing have been the same. Corn is not drying down. Keep a close eye on those bins.

As always, we appreciate your business and look forward to another harvest coming soon. Have a safe and profitable summer.

See you Saturday, August 1, 2009 at the Antelope County Fair Breakfast.

Farmers' Pride will again be hosting 4-H Breakfasts. Watch your fair flyer for further information on dates and times.



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