



DODGE CITY COOPERATIVE
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EXCHANGE NEWSLETTER
SECOND QUARTER 2009

MANAGER'S DESK



Your cooperative just marked its second consecutive year of record earnings and the second straight year of record returns to our owners.

Even though we have just completed the fiscal year, we quickly turn our attention to another year with continuing challenges in the market place. It seems like concerns about weather, shrinking margins and uncertain economy will make this year as challenging as the last two have been. At this annual meeting, we will hand out a record 6 million dollars of patronage with almost 3 million dollars in cash back to you the owners.

The other notable thing about this year's annual report will be the return on your local investment in your

cooperative. I hope you all have an opportunity to attend.

This will mark the 94th annual meeting of your cooperative that started in the year 1915. Reminiscing, all the changes that have taken place in farming practice since then are absolutely enormous. There is no way at that point in time a producer could image the size and scope of the equipment that you would be operating in today's time. Today's farming practices plus continuing seed improvements are why we continue to make not only just maintenance changes but operational enhancements. The need for more storage, additional legs, dump pits, tractor augers, and efficiency

in turnaround time are all needed to provide a service to you. As we continue to improve the operations over the next several years, look for changes at the facility you haul grain to.

The completion of Southwest Crop Liquids with our neighboring cooperatives Offerle and Sublette has allowed us to source fertilizer by unit trains or truck in dry and liquid form. The facility sits next to the dry shed at Ensign and will have state of the art technology which will continue to improve loading of product as the facility grows in the needs of the producers.

At this year's annual meeting Darrell Blew has decided to

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step down as a board of director after serving over 12 years. Darrell started as associate director and was then elected to the board of directors. DC Coop would like to thank Darrell for his years of service and dedication during his time on the board. It was during his time on the board that the cooperative experienced good growth with a solid financial balance sheet.

Planting for the most part of fall crops is almost complete, and we get closer each day to wheat harvest. Thanks to the recent moisture we may be able to handle an average wheat crop. Your cooperative is adding additional storage at Kingsdown, Ensign, and Kalvesta while enhancing dumping and handling equipment at other locations. Grain continues to move out while we make room for the anticipated harvest. The agronomy department continues to spray as the additional moisture has also produced other problems. I hope you have a safe and bountiful wheat harvest.

Jerald Kemmerer
CEO/GM

Safety Division



Along with spring, so comes the need for Spring Safety. With the recent moisture and wheat looking good, optimism is everywhere. We will be looking to additional fertilizer needs and perhaps chemical applications. So let's review a few safety concerns to keep our families and communities safe.

When applying chemicals: Follow the label for rates, wear the personal protective equipment recommended by the manufacturer and never leave chemicals where children can be exposed to them. Above all keep chemicals in their proper container with a label so they can be identified if an emergency would occur.

When applying anhydrous ammonia, Safety is very important. Take the time to **INSPECT** your hoses and equipment. Hoses have an expiration date that should be followed; your eyesight is at stake. Always wear approved non-vented or indirect vented goggles; **never wear contact lenses when using anhydrous ammonia because the ammonia can become trapped between the contact lenses and the eyes thus preventing emergency water from flushing the eyes.** Wear approved gloves with the cuffs rolled up to prevent liquid from dripping on your arms; long sleeved shirts provide additional

protection. Utilize both safety chains; obey the 25 MPH rating on the tires. Watch for thefts and report suspicious activity to local law enforcement.

Another issue which comes to mind in the spring is Severe Weather. We have had such a variety of weather conditions in a very short time; I want to focus on some issues which are associated with springtime in our area.

April, May, and June are typically thought of as our severe weather season, although severe weather can and does occur anytime of the year. Thunderstorms cause Tornados, Flash Floods, Lightning, and Hail, all of which lead to many injuries and deaths each year.

- Do you and your family know how the warnings will be sent out for your community?
- Have you cleaned up around your home? Flying debris is the number one cause of injuries. In high wind they become missiles. Not only does spring-cleaning make your community look nicer, it makes it safer for everyone around you.
- Do you have a safe place designated for your family at home, at work, at their school or day care? Don't take it for granted; just because they are in the care of others that they will be safe. Ask those who are in charge of your children if they have given any thought about severe weather safety.
- Do you have a disaster kit with a few items located in your safe place, so if there is any damage, you will have the things you need? My suggestion is to keep

the items simple, but necessary, you can add to it with anything specific for needs such as medicine, toys to keep children calm, basic tools, etc.

- Ask the question what would my family and I need to survive 72 hours in the event a catastrophic disaster took place at my home or town?
- Some of the items the Red Cross Recommends in the disaster kit are the following:
 1. A flashlight and good batteries. When the power is off, you don't want to use candles or matches in the event of a gas leak. This is even without damage, often gas can accumulate in low-lying areas and you might expose your family and self to an explosion hazard. USE BATTERY POWERED LIGHTING!
 2. A battery-powered weather radio will keep you aware of further warnings. If storm sirens are without power or are damaged, your additional warnings will need to come from radio stations that are part of the Emergency Broadcast System, (EBS).
 3. Shoes; often when storms arrive, people are barefoot or in sandals, if there is damage, you will need good footwear for those in your shelter. The same goes for pants rather than shorts or pajamas, jackets etc.
 4. A basic first aid kit and copies of prescriptions your family members must take.
 5. One gallon, of water per person per day for at least three days.
 6. Blankets. Extra Clothes, Soap/Hand Sanitizer, Work Gloves, Dust Masks, Duct

Tape, and a Roll of Heavy-duty Plastic Sheeting.

7. A large wrench or set of pliers to shut-off utilities.
8. A disaster kit that is placed in a large water proof plastic container in the location you have decided is a safe place, is a good way to teach children where to go if you are not home when severe weather strikes.

Have a tornado drill, once in the daytime, and one at night, practice saves lives. **You can purchase items for your disaster kit at many of our locations especially the ACE store.** Don't be caught without them!!!!

For more information about Severe Weather and Disaster Kits checkout redcross.org, weather.com, and fema.gov

Steve Sawyer
Safety Director

ACE HARDWARE



If you're looking for a great mower that's also a great value, take a look at Toro's new and improved recycler mowers. They are sturdy, easy to operate and packed with innovative features that will save you time every single time you mow.

With Toro's new bag on demand feature, you can switch from mulching to bagging in seconds with the flip of the quick-change lever, and the bag can stay mounted in either mode. Thanks to an open single piece handle design, removing the bag and reinstalling is quick and easy. Recessed front wheels on these new Toro enable you to cut 25% closer to obstacles such as trees, landscaping, fences and play sets.

The Toro Super Recycler's cutting system offers unmatched cutting performance. While other mowers cut in a way that causes grass clippings to pile up on top of the lawn, the Super Recycler's cutting system recuts the grass into superfine clippings that go back into your lawn.

Stop by Ace Hardware and take a look at the whole line of Toro mowers. You'll be glad you did.

Ace is the place for all your lawn and garden needs.

Jack Lane,
Ace Manager

GRAIN DIVISION



Troy Presley
Grain Originator
Risk Management Advisor

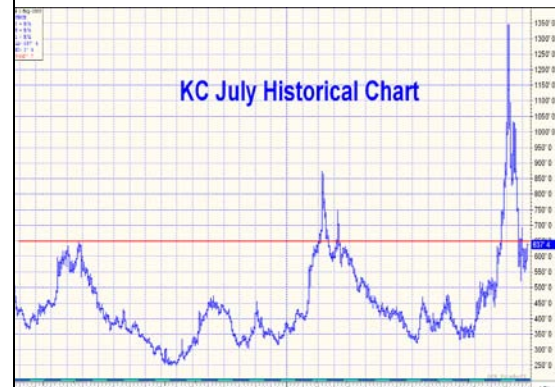
Here we are again at what I feel is the most exciting marketing time of the year! It's the season when everybody feels like they are getting pulled in many different directions. Some are focused on getting corn in the ground, while others are watching their wheat head out. The one thing that remains constant is we all have our eyes on the weather forecast and the commodity prices.

For all of those corn producers out there we are at a cross road. The corn futures are staying right around a level that flirts with \$4 cash price for New Crop corn. What is the most interesting part of talking with producers is to see all the different market opinions producers have when it comes to commodity prices. Some are looking for a summer weather market to price corn and others feel that now could be the time to price their crops, but are afraid to "pull the trigger" because "what if I'm wrong?" The USDA has demonstrated to us report after report that we are going to have plenty of corn on hand for the next 6 months and now it appears adequate for next year as well. With a lackluster export market, slim ethanol margins, and lower feed demand it sure seems difficult to find a home for all of our corn. As of writing this newsletter, we are 48% complete planting nationwide. Looking back

at last year, we were 51% completed. The key areas lagging planting progress are the Eastern Corn belt states of Illinois, Indiana and Ohio. Everyone's attention is turned towards the weather. But with 48 row corn planters we have out now, it sure doesn't take long to plant, or to put it another way, the weather premium can quickly disappear

As we have all heard through the news it doesn't sound like Oklahoma or Texas will end up with much of a wheat crop. Late rains and cool temperatures have stabilized the crop, but total production from those 2 states combined will likely be the lowest since 2002. I think this production loss has been a lot of the reason the higher KCBOT futures price over the past month. Couple that news with reports of rust and other diseases we are starting to find in South Central Oklahoma; and we can make some reason for the rally in wheat futures. Now the offsetting factor is that the US is a residual supplier of wheat in the world. Global production is expected to fall by 25 mmt this year, but the fact remains that the world is oversupplied with wheat now. Once domestic demand for US wheat is satisfied, US wheat has to compete with transportation because of the geographic advantages global competitors have. Weakness in the US dollar as we continue to "print" money, could open up some competitiveness, but it will be a long struggle to find homes for wheat if there are no production scares. The Kansas City Board of Trade recently had their annual Kansas wheat crop tour. Participants from all over the state take about 3 days to tour the state and stopping at various locations. The results were average with the estimates coming in around 40.8 slightly lower than last year's avg. estimate of 43.3 bushel per acre. Total Kansas crop estimated at 333.3 million bushels as compared with last year's 379.11 million bushels. Estimating a crop while only in the "boot" stage is difficult

and limited to counting tillers and estimating head fill. The USDA was a conservative 340 mbu guesstimate with much of the crop size to be determined over the next 4 weeks. As every Wheat producer knows there is still plenty of time until the wheat is in the bin. It is natural and understandable to have uncertainty over the un-harvested wheat crop. Hail, bugs, disease are all very real threats. That is why option usage is such a key tool in KC wheat marketing. Think of the confidence you would have in locking in 100% of a "potential" production with zero risk that if you don't produce the crop, there will be no delivery obligations. Your cost for this "insurance" is limited to an option premium. We haven't seen as much forward contracting as we normally do. Does this mean everyone is still bullish? Or still simple a little concerned over production? Either way let's not get too complacent with the KC Board of Trade prices.



Note the chart of historical prices in KC July futures. Don't let last year scare you from looking at historically high prices and profitable returns. Be proactive by protecting our downside risk. Or if a person is bullish, let's try and take advantage of some of these rallies. If you have any questions on options please call me at the main office. I am always happy to answer any questions you might have!

Troy Presley
Grain Originator/Risk Management

FEED DIVISION

Do Cattle Harbor Temperament Hints In Their Eyes?

The amount of white in cattle eyes can be a measure of temperament. This is according to a University of Guelph, Ontario graduate student reported study.

Temperamental cattle are both dangerous and frustrating to handle. Besides being a danger to themselves, other animals and to their handlers, injuries can affect carcass value.

Research at the University indicates the percentage of revealed eye white in cattle can be used as a predictor of temperament. Eye white evaluations were conducted at the Elora Beef Research Station on bulls, steers and heifers as a graduate research project.

A digital camera was set up near the squeeze chute to capture an image of the animal's eye. Video recording then took place while the animals were run through the chute. Images were then stored and analyzed to assess the amount of eye white revealed by each animal.

Flight speed was measured and chute score evaluations were also conducted. The results of these analyses showed that percentage of eye white had a significant positive correlation with both temperament scoring and flight speed.

Easy and inexpensive, this system offers a physical measurement vs. a behavioral scoring. Plus, the digital image records can be used or re-

analyzed at a later date, the researcher says.

Since this measurement is reliable and highly correlated with temperament, percent eye white is a good tool for identifying animals that should be implemented in intensive selection programs for temperament, the researchers say.

**Galen Frick,
Livestock Advisor**

AGRONOMY DIVISION

You may or may not be aware that the Dodge City Coop has become a member of a limited liability company that is building a liquid fertilizer terminal at our Ensign, KS location. Dodge City Coop, Offerle Coop Grain and Supply, and Sublette Cooperative, Inc. have formed a company called Southwest Crop Liquids, LLC. The primary reason for this venture is to assure each Cooperative's grower patrons a supply of UAN liquid nitrogen throughout the year. Each Cooperative shares in the cost of the construction and associated costs, as well as, each owning their own inventory in the tanks. At this time there are three 5,000 ton tanks with liners which have been dedicated to 32% liquid nitrogen. Provisions are being made to convert 32% liquid nitrogen to 28% liquid nitrogen for cold weather use. We hope that in the future we will be able to dedicate one 5,000 ton tank to 10-34-0 fertilizer.

The three Cooperative owners of Southwest Crop Liquids, LLC, have mutually agreed that this storage needs to be for the member's grower patrons use, and therefore, there are no plans to allow a large fertilizer manufacturer or reseller to market product out of this terminal.

The 32% liquid nitrogen will be brought in both by rail cars and by tanker truck and trailer. The rail car unloading portion has been constructed to unload 60 rail cars at one time. Sixty rail cars contain approximately 6,000 tons. The design should also allow a 4500 gallon tanker truck to be loaded for delivery to a location or to the farm in approximately six minutes.

This facility is almost ready for use. The tanks are finished and the liners have been installed. The building with the load out bays and the pumping equipment is almost complete, and the plumbers and the electrician are almost done. The company that is providing the electronic control system is ready to install their portion of the project as soon as the other areas are completed.

All three of the owners of Southwest Crop Liquids, LLC. truly believe that this facility will help them position the liquid fertilizer that their grower patrons will need for the future of production agriculture in southwest Kansas.

**Mike Fraser
Agronomy Division Manager**

AV Energy

Well spring is here and with it a new feeling from the last quarter. Things are looking up as Mother Nature has brought us much needed rain and the wheat is looking good, fieldwork is starting, and things are getting that beautiful green color again.

Keeping it simple this quarter we have seen crude go from \$150 or higher to approx. \$58. It's a huge slide that has brought its share of headaches but seems to be on the more level side of things now. If anything it is improving and trying to rally over the \$60

mark. How long before it gets there is anyone's guess. Looking at the futures market it seems to be a given that we will see a trend going up!

Keep in mind, with this comes higher prices for us all.

Fuel contracts are strong this year with AV Energy seeing a large increase in the amount of fuel contracted from the previous year. More people are seeing the benefit of locking in fuel and taking advantage of lower cost. It's not too late to take advantage of our contracts. If anyone is interested in looking, just give us a call and we'll be glad to help you.

Jarry Bryant has been hard at work trying to get in touch with as many people as possible about current oil and lube programs. If he hasn't gotten in touch with you please give him a call at 682-2359. Take advantage of this program.

Summer is around the corner. Kids will be out and about so

watch for them. We hope you have a safe and fun summer.

If I can help with any fuel needs you may have give me a call at 255-9250 or call us at the office at 225-4994. Thanks for all you do and have a safe summer!

Cal Lamberth
AV Energy

SEED DIVISION

Can anyone say they have seen a wheat season like the one we have seen so far?!? To start off with way better than average moisture, to go as long as it did with NO moisture and then to getting some very good soaking rains in time to save a lot of the crop. Of course we shouldn't forget the freeze but the range of injury was and is still in question. At least some fields were not affected very much and still have better than average to very good yield potential. From what I have seen the fields most affected have a few very good heads developing and with some very late heads trying to develop. Weather conditions from here to finishing will play a huge role.

Most of our seed production looks at least average to very good at this time. Post Rock was affected the most by the freeze but it has tremendous ability to set large berries so it could still be close to an average yield if filling conditions are good. We will also offer TAM 112, Fuller, Endurance, T-136 and T-151. All of these varieties are looking very good at this time. These varieties are all entered in plots in several

different counties and also in the DC3 plot on the college farm by the Koch Nitrogen plant. It is very helpful to go see how they have developed in these plots once the grain is close to harvest time.

Potential for dry land grain sorghum and forage crops are very good right now. With this kind of subsoil moisture a mid to late June planting would have an excellent chance to finish well. With that kind of potential it makes good agronomic sense to have good fertility in place to reach the full growth potential. 65 to 85 pounds of Nitrogen and average to high Phosphorous levels will help achieve that growth. We have a couple of new grain sorghum numbers to work with this summer. Garst 5613 is new with excellent top end yield potential. This variety won the plot on DC3 last summer going over 100 bushels. Sorghum Partners has a new short season milo. SP3303 is 2 days longer than KS310 and 2 days shorter than K35-Y5. It is a cream colored food quality grain that stands well and takes drought well. Some of the forages are in short supply this year it would be best to get those booked for the acres you know will be planted.

We are still using Concur - a seed box insecticide treatment for the tougher fields with more residue to try to help fight off some of the insect pressure. We have that available at the warehouse in small cans or larger jugs.

We have access to a wide range of excellent products for your summer crop needs. Please give us a call so we can find the right one for your field.

Tony Watts
Sales Agronomist

Date	Wheat	Corn	Milo	Soybean
1/5/09	5.62	3.91	3.18	8.97
2/3/09	5.06	3.49	2.69	8.51
3/4/09	4.97	3.44	2.77	7.84
4/6/09	5.43	3.88	3.19	9.19
Last Year –Jun 2008				
AVG.	8.21	6.74	6.23	13.77

Online Account Access Now Available

Dodge City Cooperative has the capability to offer our patrons access to accounts receivable activity, grain balances and prepaid contract activity via the internet. A proof of yield can be generated and printed at your home office. Copies of invoices can be printed or an entire year's activity can be printed at once. We've gotten good reviews on the capabilities offered and we will share your input with our developer for incorporation into future updates. Sign up can be completed by going to <http://patrona.dodgecitycoop.com> or clicking on 'Patron Access' in the left hand column from our homepage www.dodgecitycoop.com.

After we receive your request, we will verify your information. You will be contacted by e-mail or phone when your account is ready for you to access. Tammy Rich, our Web Access Administrator or Monte


Broeckelman, our Chief Financial Officer, can help answer any questions you have. You can still find 10 minute delay quotes, weather, and other Ag related news at our homepage.

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MOST
OUT OF YOUR
CROPS



YOU NEED A QUALITY LABORATORY, WITH ACCURATE RESULTS AND
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