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Managing Through Changing Times

By Wayne Herman *General Manager • wayne@watertowncoop.com*

In the last 8 years, \$2,805,817 in cash had been returned back to patrons, through stock retirements and patronage. Our balance sheet is strong, and that's important to patrons for several reasons, including the fact that many of you conduct transactions through pre-pays, deferred grain sales, and delayed price grain.

As we conduct business, we have the dual responsibility of focusing on services that will help our customers be profitable, while ensuring sound business practices that protect your cooperative's equity.

Change continues to be a driving factor in the agricultural marketplace, and positive response is vital to long-term success. Think about this Charles Darwin quote: "It's not the strongest of the species that survive, nor the most intelligent. But the most responsive to change."

That's one of our challenges—adapting to change from a diverse customer base. We have patrons who work full-time in town while farming a quarter and others who farm thousands of acres. Determining and prioritizing these varied needs and services is a time-consuming but fulfilling aspect to this job. Your input

to the board and management is invaluable in helping us make these kinds of decisions. We need your insight about products and services that provide the most value as industry change continues.

Last year, we completed some physical changes at your cooperative. We upgraded some delivery trucks and trailers to increase agronomy efficiencies and added auto-steer and variable rate spreading capabilities to much of the rolling stock. These changes are helping us keep pace in agronomy, as witnessed by the increased sales of fertilizer and chemicals last year.

A new probe system was well-received in the grains division. Additionally, a local processor market that was telling us to hold corn longer spurred us to add a bunker for better utilization of marketing strategies.

These changes were crafted carefully by your board—updating equipment that has been in place



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From the Agronomy Department

By Ehren Grupe Agronomy Department Manager • ehren@watertowncoop.com

The fertilizer market has stayed flat, primarily because of the open winter and the Texas drought. Right now we are seeing prices near last fall's levels in a market that could have easily gone \$20 higher if not for the open months of January and February. Supplies of 10-34-0 are still tight, but we have tonnage committed through contract, with enough available to meet our needs.

It's obviously a busy time of the year, and we appreciate your patronage. Our intent is to serve you as effectively as possible, so please give us a little advance time when needing any of our applicator services. That will help us schedule our days more efficiently and, ultimately, provide you with even better service.

The remodeling project in our agronomy office is now complete and will help the administrative side of our division with better organization and utilization of space. One of the office additions is a printer connected to the fertilizer plant scales that will better manage our inventories. The additional ticket to your dry fertilizer bill will have the certified weight tickets and is also our way of ensuring the integrity of your purchase.

Already in action this spring are three on-board impregnators capable of VRT. The units are transferable from our Terra-Gators[®] to the RoGators[®],

providing the most efficiency possible out of an extremely beneficial technology. Finally, we also added a Timppte grain trailer to our fleet.

This, too, has dual usage as a conventional grain hopper or a fertilizer conveyor, depending on the season.

I'm hoping that you are all in the middle of a great spring. Please don't hesitate to call any of our agronomy locations and know that Trevor Stieg, Aaron Fiedler, and I are only a phone call away. It's been a pleasure doing business with you, and we look forward to helping you in any way we can this summer. ●



Our new Timppte trailer serves a dual purpose as a fertilizer conveyor or as a conventional hopper, depending on the season.

Changing Times

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since the late 1970s. That's one more challenge: keeping pace with the technologies used by our growers, yet also balancing our own fiscal responsibility.

The bottom line is we are focused on helping you, our customers. That's why we will need to closely follow our policy on open accounts receivable, so if patrons need long-term financing, we offer competitive programs. That's why we have a merchandising staff wanting to help you with marketing plans. And that's why we employ the best in the business in our agronomy and feed divisions— as a team, we're ready to go forward to help you become more profitable in today's new ag marketplace. ●

From the Office

UPDATING THE PATRON DATABASE: BIRTH DATES AND SOCIAL SECURITY NUMBERS NEEDED

The patron cards that all new members fill out did not ask for birth dates until recently. As a result, we are missing many of your birth dates. To accommodate possible stock retirements in the future, we will

need to have complete information—including birth dates and social security numbers. Please call the office with your updated information.

As always, for your convenience, copies of all invoices and

load-outs are available. Just call and we can get them to you.

Finally, we can do split billings. But to avoid confusion, please communicate any split-billing information in advance. ●

From the Seed Department

By **Brian Kohlenberg** Retail Seed Sales Manager • bkohlenberg@landolakes.com

With planting now well underway, please be assured we have a good supply of in-season corn and soybean seed still available. Please give us a call for any seed products you need to finish out your 2005 seeding. And don't forget bulk soybean delivery is available.

Interest in seed treatment has been high because of spring weather conditions and also because of past results. Using Optimize™ Promotor Technology™ for soybeans, seedlings develop healthier and faster, allowing soybeans to reach full genetic potential through resilience to environmental stress and disease issues. The product is powered by Cruiser®Maxx® Pak, a combination of Crusier seed treatment insecticide and

OPTIMIZE™ PROMOTER TECHNOLOGY™ FOR SOYBEANS

	Control	OPTIMIZE
Grain Yield (bu/ac)	35.2	40.8
Seed Protein (%)	40.2	40.1
Grain Protein Yield (lb/ac)	849.0	981.6

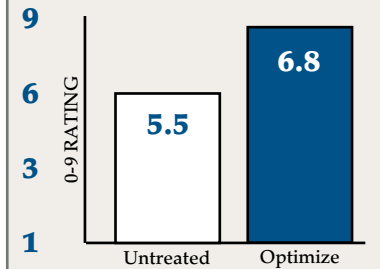
ApronMaxx® fungicide. Warden™ RTA® is another excellent choice for broad-spectrum protection against major soybean seedling diseases. The bottom line is that seed treatments provide investment protection and returns on your high-value seed.

A Watertown Co-op seed advantage: we're here after you buy the seed—not just during the sale. If you'd like any follow-up stand counts or early-season growth evaluations, please give us a call. We'll be there.

Finally, it's a hectic time of the year. Please make it a safe time, too. ●



IMPROVED VIGOR



Source Summary of University and Nitrogen Studies

Precision Ag Solutions

By **Trevor Stieg** Sales & Marketing Manager • trevorstieg.wce@midconetwork.com

Variable rate seeding (VRS) is a technology whose time has come. Consider one of your fields—it does not have an economically-uniform production and nutrient pattern. Instead, most fields have very identifiable intrafield differences. So as seed costs continue to increase, why populate the lower-producing areas with the same optimum planting densities of your higher-producing areas? Picture that...then envision how VRS can enhance your bottom line through:

- A reduction in seeding costs
- An increase in yields

Make the most of your high-production areas with VRS. We have the technology, equipment, and knowledge to help you profitably implement VRS.

Watertown Co-op is again participating in a Croplan Genetics® Answer Plot. The field will be planted with seed and input technologies specifically selected for the problems, soils, and management exclusive to the Watertown Co-op trade territory. It is not just another field plot showcasing seed products with posted signs. Instead, it's a regional training ground for our own agronomists. It's also planted for you, so you can visually assess what is working—and what isn't—when it comes to seed and inputs.

The plot is in the same location as last year, 1/4 mile north of Cowboy Convenience Store #3 on north Highway 81. A schedule of tours will be mailed out later this spring, or call during the summer to arrange a private tour with any of our agronomists. ●



Market News

By **Scott Borg** Grain Merchandiser • scott@watertowncoop.com

It's never too late to begin developing a market plan. Once you make the commitment, it will become one more component of your overall farm management—just like studying seed hybrids, maintaining equipment, or planting your fields. In today's marketplace, it truly needs to become an essential part of your weekly, even daily, routine.

The key to a successful plan is knowing your production costs and then selling part of your grain throughout the year at price targets. We all want to sell grain at the highest price. But using your marketing plan to achieve above-average prices consistently is more realistic. Decisions can then be based on economics, not emotion, which will improve your overall marketing performance.

The time spent developing a marketing plan and then subsequently updating your plan as you study the markets is time very well spent—and has the potential to make a huge difference to your farm's profitability.

We can help you get started. We're excited about the growing use of Marketeer,TM a one-of-a-kind software

tool that can help develop crop marketing plans appropriate for your particular operation. The Marketeer "what-if" scenarios can be created with a few clicks of the computer keys. The program can walk users through the step-by-step process of building a plan using a menu of marketing tools, and then offers a variety of outcome models to review.

Check out the Grain page on our Web site

(www.watertowncoop.com) for a review of the grain contracts we offer, like our Price Builder and Target Range contracts. Use them incrementally, pricing part of your crop so that not all of your bushels are in one proverbial basket.

Finally, don't hesitate to call any of our other office staff members if you need to engage a grain sale or talk marketing. Sometimes my line can get awfully busy—but don't let that stop you from using Watertown Co-op as your marketing resource. Lorie Springer, Jeanne Berg, Dean Paulson, Lee Houghton, and of

course general manager Wayne Herman can all capably assist you with any grain marketing transaction. ●



Mission Statement: To profitably enhance the success of our patrons.



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