



GRAINCO FS, Inc. Patron News

GRAINCO FS, Inc. • 3107 N. State Route 23 • Ottawa, IL 61350

Volume 9 Issue 1

The Natural Resource – Serving Grundy, Kendall, and LaSalle Counties

September 2010

Ottawa (General Office) – (815)-434-0131
Mazon (Energy/Agronomy/Tires/Feed) – (815)-448-2175
Serena (Petroleum/Agronomy/Grain/Turf/Feed/Propane) – (815)-496-9421
Streator (Agronomy/Petroleum/Feed) – (815)-672-5431
Kentland (Grain Department Office) – (630)-553-0204
Yorkville Rte 47 (Tires/Propane/Feed/Supplies) – (630)-553-7471
Mazon (Grain Department Office) – 1-800-448-2113
Propane Department (Toll Free Line) – 1-866-990-3757

Minooka (Agronomy) – (815)-467-6665
South Ottawa (Petroleum) – (815)-433-4313
Mendota (Agronomy) – (815) 539-6728
Grand Ridge (Grain) – (815)-249-5513
Lostant (Agronomy) – (815)-368-3215
Newark (Agronomy) – (815)-695-5213
Ransom (Grain) – (815)-586-4221
Odell (Grain) – (815)-998-2191

GENERAL MANAGER'S CORNER – Brent Ericson

My greetings this month come in the midst of an extremely busy time for our cooperative. From a seasonal nature, GRAINCO FS agronomy and grain locations are preparing for the busy time of the fall harvest season, while our energy personnel are preparing for increased demand the season brings for propane and petroleum fuels. Thankfully it looks like the season will begin much earlier, and the crop will be significantly drier than last year. This will allow us to get an earlier start to the fall application season. GRAINCO FS continues to make improvements in equipment and facilities in an effort to provide the level of service

you have grown accustomed to. Moving forward we will continue to work hard to maintain your business and to improve your investment in your farmer owned cooperative. The fiscal year ended July 31st and the auditors have been busy preparing our year end results. It will be another good year for the Company, and we look forward to sharing the success of the year with our member owners. As always, GRAINCO FS appreciates the business of our many patron owners, and we look forward to providing continued service to Grundy, Kendall, and LaSalle Counties.

WATCH YOUR MONTHLY STATEMENT – Several Deferred & Prepaid Program Balances Transferred to “REGULAR”

GRAINCO FS agronomy and farm fuel customers may notice that debit or credit balances in a number of prepaid and deferred programs, not previously moved, have been transferred to the “Regular” program on their August 31, 2010 Monthly Statement. These programs carried upcoming due dates for September, so they were rolled to the Regular Program to avoid confusion. This transfer allowed us to move debit and credit balances to one program.

In the future, we will continue to roll programs from there deferred or prepaid status to “Regular” at the close of the month prior to the programs due date. This practice will be similar to our previous statement program, and will help to eliminate any confusion on program due dates, while making better use of the customer's credit balances to offset current charges. If you have any questions please call accounts payable at the Ottawa Office at 815-434-0131.

Deadlines and Dates:

In this section, we will be featuring upcoming deadline dates for product promotions and important dates associated with meetings, events, and activities involving GRAINCO FS and our loyal patrons.

October 15, 2010 – 10% Early Pay Cash Discount Offer on Seed Products, Payments Due
January 8, 2011 – 8% Early Pay Cash Discount Offer on Seed Products, Payments Due
March 1, 2011 – 4% Early Pay Cash Discount Offer on Seed Products, Payments Due
June 25, 2011 – Final Net Payment Due on Non-Financed or Deferred Seed Purchases

Additional Capital Available for Crop Production Input Purchases

GRAINCO FS customers can take advantage of our cooperative's FS Agri-Finance program to secure the necessary capital to begin making purchases for the upcoming 2011 production year. The FSAF program allows customers to defer payment for their 2011 production input needs until January, February, or March of 2012. If you would be interested in hearing more about this program, talk to your GRAINCO FS Crop Specialist or call the Ottawa Office at 815-434-0131 and talk to Curt Overcash about the FS Agri-Finance program.

Risk Management Contracts Available for Petroleum Fuel Products

By: Jim Snyder, Energy Department Manager

In December 2009, we introduced a new program that has brought to our petroleum customers a better opportunity to contract liquid fuels. The program is tailored to both our farm and commercial customers. The program involves “Risk Management Contracts” for liquid fuels. We have offered two types of contracts based on usage needs, one for farm customers and one for commercial customers. If you want to learn more about the program please talk to your Petroleum Sales/Delivery Specialist or call me at the Yorkville Office. We welcome your inquiries about this important new program.

www.graincofs.com

Add this web-site to your “favorites” list. Keep up with market information, weather developments, view your own account information, and learn more about GRAINCO FS. Let us know how we can improve this information source to better serve your important needs.

Getting to Know the GRAINCO FS Employee Team

As a regular part of our newsletter to customers, we will be introducing the valuable members of our employee team. GRAINCO FS recognizes the valuable contributions of our employees and the impact that they have made on our overall success as a cooperative. This month we are featuring three of our Location Managers. Steve Harris, Dave Thorsen, and Steve Puetz direct the work efforts of employees under their charge, and provide an important role in the company's success through their leadership abilities.

Steve Harris, Location Manager at our Streator plant, began his career with the company in February 1981. After graduation from Ottawa High School, Steve worked in the family farming operation with his father-in-law. After several years working on the farm, he accepted the role of custom operator at the Streator plant. During the off-season, Steve would work with the structures department working on grain bins. He would later increase his work with the structures department on both bins and buildings. In 1994, he was named the Crop Specialist at the Streator facility. After five years in that role, he accepted his current position as Streator Location Manager. In his current position, Steve has been responsible for the day-to-day operation at the facility in Streator and also has over-seen the management responsibilities over the South Ottawa facility. Steve works closely with salesmen in agronomy, propane, and liquid fuels, as well as the daily walk-in customers, who deal directly with the Streator Location personnel. Steve and his wife, Vicki, are the parents of three grown children. Steve is an avid sports fan, and enjoys attending sporting events, this became evident especially while his children participated. This includes basketball and tennis at both the high school and college levels. He still enjoys attending local sporting events in the Streator area. Steve has always had a fascination with fish, and currently maintains three 75-gallon aquariums with tropical saltwater fish in his home. We commend Steve for his dedication to the company and to his patrons, and for his leadership in these changing times.

Dave Thorsen, Location Manager at our Newark plant, began his career with the company in 2004. Dave graduated in 1991 from Illinois State University with a degree in Agricultural Business. Prior to joining the company he served as Operations Manager for a manufacturing company in Montgomery, Illinois. Dave's experience

in manufacturing, operations, and management made him a perfect fit for the responsibilities of his current position. Dave and his wife Michelle have been married for sixteen years and are the parents of two children, Taylor age 12, and Trey age 9. He enjoys farming and still operates the home farm with his father, in rural Grundy County. In his spare time, Dave enjoys fishing, watching football as an avid Chicago Bears fan, and following his children in sports. His daughter and son are involved in youth volleyball and soccer programs. Dave commented that he really enjoyed working with the excellent employees at the Newark Location. We commend Dave for the excellent leadership and pleasant nature that has helped him to mold a cohesive team at the Newark plant. Thanks for the excellent effort and example to others.

Steve Puetz began his career with the FS System in 1976 after attending IVCC. In his first position with the company, Steve worked at the Tonica Plant in operations. He then moved to the Leeds Plant as Plant Manager/Crop Salesman. He spent 7 years at that location, before leaving to accept a position with Burroughs Ag. After one year with Burroughs, he accepted a position with the Estech Company in Lostant in 1984, at first in operations and was soon promoted to the position of Assistant Manager and Salesman. The Estech company merged with Kaiser to form Kaiser/Estech, and was later purchased by Vigoro and finally in 1994 the plant was purchased by LaSalle County Farm Supply, and once again, Steve was employed by the FS System. Steve has served in management leadership at the Lostant plant for over 26 years and has worked with customers in the farm supply business for nearly 35 years. He commands an excellent operation and his facilities are always in tip-top shape. The plant he manages is a show place in the Lostant area. Steve and his wife Kristi have four children. Justin is 30, Jerae is 27, Joshua is 26, and Jackson is 14. He said it is the most fun you can have without laughing. Married for 32 years, Steve enjoys farming in his spare time, and is active with his children and grandchildren's activities. An outstanding family man, Steve enjoys helping his children with their pursuits and spending time with his grandchildren. To hear him describe what he does in his spare time, just about wears you out. It seems the older he gets the busier he has become, imagine that. We commend Steve for his outstanding leadership and the example he sets for others.

GRAIN MARKETING Opportunities Report

By: Todd Tesdal, Grain Department Manager

The summer growing season is nearing its conclusion for 2010. Generally, when nearing its maturity, our crop commodities are under pressure from declining markets, but not in 2010. The grain commodity markets are rallying with a flurry of bullish sentiment. The grain markets have spent much of this past month focusing on grain production problems around the world. The declining wheat crop in Russia has garnered most of the market's attention, and has provided fodder for the wheat market to rally, dragging corn and soybeans along for the ride. As we neared the end of August, most of the attention seems to be directed towards corn as harvest approaches. Concerns over declining yields seem to be gathering attention in the market, as many are beginning to believe that the government report has over-estimated the expected yield from the 2010 corn crop. If true, that has created some enthusiasm in the potential for higher corn prices into and following harvest. For now, the demand picture for all commodities looks good going into the winter, but the bears will be countering that outlook with the prospects of over-estimates for both corn use for ethanol production and for export demand. Bears will also be watching the planting progress in South America as it is anticipated that soybean production there will increase as world demand for soybeans grow. Obviously, there is plenty to watch as we enter harvest of this much anticipated crop. Those that believe that this marketing year will be quite volatile are probably correct. Producers will want to watch for marketing opportunities for crop production that provide a profit, and make their sales at those levels. Getting greedy may cause one to miss profitable marketing opportunities for 2010 production. Producers will also want to carefully watch for marketing opportunities for the 2011 crop, as the market volatility this winter should produce some acceptable price levels.

This year's harvest is coming quickly, as the crop nears maturity in early September. Our elevator facilities are working hard to be prepared for the production that will be entering our facilities in Kentland, Mazon, Ransom, Serena, Grand Ridge, and Odell. We have made some improvements to our facilities in 2010, and will continue to work to upgrade facilities to accommodate larger and larger crop production estimates. As always, we appreciate your business and look forward to serving you. Please call for market advice and for assistance in marketing your crop production.