



UNITED FARMERS COOPERATIVE'S MISSION STATEMENT

"To Provide Innovative Services, Products and Knowledge, for the Benefit of our Members, while Exploring Opportunities for the Future"

UFC's Margins Remain Strong



*by John Pruss,
general manager*

We've completed our second fiscal year as United Farmers Cooperative (UFC), and your cooperative's margins are strong.

Some key numbers include:

- \$513,998 in local profit
- \$9.6 million invested in fixed assets
- \$1.14 million of deferred equity paid back to members
- \$17.9 million in working capital

As we finalized our budget in October, we did not foresee all the changes that UFC would experience in 2018-19.

STATEMENT OF OPERATIONS

SALES:	\$306,297,498
TOTAL GROSS OPERATING REVENUE:	\$42,066,901
OPERATING EXPENSES: (INCLUDING INTEREST)	\$41,552,903
SAVINGS FROM OPERATIONS:	\$513,998
PATRONAGE REFUND INCOME:	\$1,163,732
SAVINGS BEFORE TAXES:	\$1,677,730
INCOME TAXES:	(\$44,951)
NET SAVINGS:	\$1,722,681

JOIN US

You're invited to attend UFC's annual meeting at 10 a.m. on Tuesday, January 22, 2019, at our business office in Corning, one block east of the UFC convenience store. We look forward to seeing you.

WHAT: UFC's Annual Meeting
WHEN: 10 a.m. on January 22, 2019
WHERE: Our Corning business office

- Selling our Elwood, Kansas, location to a pet food company
- Purchasing a private grain facility at Morton Mills
- Selling our Wiota location
- Unifying with the Taygold Cooperative, with locations in Lenox and Clearfield
- Splitting the assets of our LLC at Hamburg and making this location part of UFC

While some of these changes had a negative effect on local profits, we ended up at 38% of our budget in terms of local savings. We believe the decisions highlighted here are preparing UFC for continued financial success.

Going into 2019—knowing the ag industry is tighter—we will continue to look at changes that need to be made. We appreciate your continued support and wish you a wonderful holiday season and Happy New Year. 🍀

Put Our Soft-Side Truck to Work for You



by Doug Hays, retail feed manager

We're rolling with our new soft-side delivery truck on the eastern side of UFC. Why use our soft-side delivery service?

- Have feed delivered straight to your farm.
 - o Save a trip to town.
 - o Feed is there when you get off work or get home.
- We unload the truck with our attached forklift.
 - o No waiting around for the truck.
 - o No need to handle individual bags.
- Pallets can be mixed and matched.
 - o You don't have to order a full pallet, which gives you flexibility.
 - o Order one pallet or 12, if you like.

Talk to your nearest location to take advantage of this great service, or contact Troy Goretska (641-344-2087, tgoretska@united-farmers.com). Troy joined UFC in mid-November and is responsible for outside sales in the eastern side of the cooperative, plus he oversees the soft-side delivery truck.

We value your business and look forward to working with you in 2019. 🌿

Want a FREE \$50 Gift Card?

You can earn a \$50 Visa® gift card for every 125 gallons of high-quality Cenex® oils, hydraulic fluids, gear lubes and greases you purchase from UFC between now and February 28, 2019.

See us for details, and also ask about the best warranty in agriculture—the Cenex Total Protection Plan® for up to 10 years/10,000 hours of coverage. Contact Tianna Fisher, UFC's certified energy specialist, at 712-370-8051 for more information. Also, ask about how you may qualify for support on bulk oil equipment when you switch to Cenex oil. 🌿



On Farm Delivery Truck

Available in the Indianola, Osceola, Creston, Afton, Macksburg and Mount Ayr Areas
 Please call your local Retail Feed Location with your Order
 Osceola: 641-342-2139 / Creston: 641-782-7202 / Macksburg: 641-768-2436
 Afton 641-347-8428 / Mount Ayr: 641-464-3821

On Farm Delivery Details:

All products ordered for delivery will be subject to availability.
 If you don't see it on the menu, call to check availability.
 Customers will need to have a Charge Account to use On Farm Delivery.
 Deliveries will be to the address of record for the account unless otherwise noted.
 Product will be on a pallet(s) and shrink wrapped.
 Product will be dropped in designated area or shed per customer directions.

Standard Delivery Charge Per Pallet With Up to 2,000 pounds per pallet:

# of Pallets/Order	Delivery Charge per Pallet	Customer Cost
1	\$ 25.00	\$ 25.00
2	\$ 20.00	\$ 40.00
3	\$ 15.00	\$ 45.00
Full Load (12 to 14 Pallets)	\$ 10.00	\$ 180.00 - \$ 210.00

Introductory Special Delivery Price:

We want all of our customers to experience the benefits of this new service!
 So from today through December 31st, 2018, Delivery Prices will be at the low Introductory Special Rates listed below:

# of Pallets/Order	Delivery Charge per Pallet	Customer Cost
1	\$ 15.00	\$ 15.00
2	\$ 12.50	\$ 25.00
3	\$ 10.00	\$ 30.00
Full Load (12 to 14 Pallets)	\$ 7.50	\$ 90.00 - \$ 105.00

WEEKLY ROUTE TRUCK SCHEDULE

DELIVERY AREA	DELIVERY DAY	*ORDER DEADLINE DAY
Mount Ayr	Monday	Friday
Osceola	Tuesday	Monday
Creston/Afton	Wednesday	Tuesday
Macksburg	Thursday	Wednesday
Indianola	Friday	Thursday

* Orders need to be in to the location by 12:00 p.m. on the Order Deadline Day to give our employees time to get your order pulled, palletted and shrink wrapped and loaded for the next business day delivery.

Fuel and Oil Questions? We're Better Than Google



by *Tianna Fisher,*
certified energy specialist

Not long ago, a co-op customer contacted us to see if we carried a specific kind of oil he needed for his Dodge diesel pickup. He couldn't find it anywhere, so the local UFC employee he spoke with transferred him to me.

I told him we didn't carry this specific type of oil, either. "But let me do some digging," I added.

I discovered Dodge had recently changed its oil specs for that type of truck. I knew right off the bat we could get him a Cenex oil equivalent to the one required by the new specs.

I called the customer back and brought him up to speed. I also let him know that while we don't normally carry this specific oil, I could order it for him. He agreed and was very pleased with the results. He was still talking about the whole experience next time he stopped by UFC.



What about a 1950s bulldozer?

Another UFC customer recently bought a 1950s Caterpillar bulldozer and had no idea what kind of oil it required. I went to www.cenex.com, clicked on the **Equipment Lookup** link to reach the Cenex Lubricants Recommendation Tool and started searching.

This tool has information for agricultural equipment, off-road vehicles, trucks and cars, plus the database is updated in real time, so the information is always current.

I was able to figure out the answer and get him a price quote. After he placed the order and the oil arrived, I took a Sharpie pen and wrote on the side of the oil container how much to use in his bulldozer, just to make things a little easier for him.

Helping you find the answers you need

Next time you have a question related to oils or other energy products, we can help—and we're better than Google. Let us save you time and find the right product for your needs.

We know what products are approved for which pieces of equipment, so we can make the right recommendation. Call me at 712-370-8051 to start the conversation. I appreciate your business and look forward to helping you. 🍃

Put Bulk Oil to Work for You

by *Tianna Fisher, certified energy specialist*

Quality lubricants are essential to any farming operation, but pumping oil from a barrel can be a messy, time-consuming process, right?

A bulk oil system solves that problem. We now offer bulk oil systems that are:

- Cost-effective versus buying oil in drums
- Convenient
- Cleaner and less wasteful than getting oil from a barrel
- Efficient
- Easy to maintain
- Durable, thanks to Rhino Tuff polyethylene tanks, which are also stackable

We can get you a bulk oil system for minimal or no cost. Call me at 712-370-8051 to discuss your options. I look forward to working with you! 🍃

Protect Your Engine the Easy Way

by Tianna Fisher, certified energy specialist

Would you invest \$15 to protect the expensive engines in your farm equipment? It's smart when you take advantage of LubeScan®.

This comprehensive oil analysis program helps you:

- Spot harmful contamination
- Determine optimum oil drain intervals
- Take action before catastrophic damage occurs

LubeScan can measure small amounts of contaminants, including dirt, metals, coolant and fuel dilution, in a sample of used oil. Using LubeScan on a regular basis makes it easier to spot abnormally high wear rates or contamination.

Pulling an oil sample is easy. It can be collected at normal drain intervals as the oil is drained from the unit. We can also pull a sample for you in the middle of a drain interval with a special suction tube device.

Just contact your nearest UFC location, and we can collect the sample, fill out the paperwork and send the sample to the lab, all for \$15. 🌿



Learning 3 Key Lessons of 2018



by Stephen Eschenbach, seed agronomist

"It was the best of times, it was the worst of times." The familiar Charles Dickens quote captures what many southwest Iowa growers experienced in the past three months.

Across our cooperative's geography, we saw everything from severe drought that kept corn yields under 100 bushels per acre to whole fields of corn averaging better than ever. We also saw soybean yields as high as the 80s to as low as the 20s and 30s. We went from praying for rain to praying for it to stop.

This was my 9th growing season with UFC, and I've never experienced a year with such a diverse range of yields and environmental conditions. The challenges of 2018 provided several valuable insights, including:

1 Timing is everything. More than 20 inches of rain in 45 days from September 1 to October 15 did nothing to encourage great soybean yields. Much of the western half of UFC's territory received enough rain near August 15 to finish out the early-season soybeans and create some great yields in 2.6-3.0 soybeans harvested before the wet weather hit in October. Mid-season soybeans that were trying to finish grain fill during that time tended to produce mediocre yields. The full-season beans that were still alive could take advantage of a few more days of sun afterwards and fared a bit better.

2 Full-season corn hybrids brought the most yield potential. Early planting, combined with an extended grain-fill period following above-normal temperatures early in the summer, generated some of the highest yields by stretching the growing season. Protecting those full-season hybrids with fungicide also helped capture extra yield potential.

3 Scouting every soybean field several times paid off. Between bean leaf beetles, Japanese beetles, stinkbugs and frogeye leaf spot, various pests and diseases needed to be managed in a timely manner. Scouting at just one or two key times helped us identify issues while there was still time to address them. In a couple of our trials, we got bigger yield responses from insecticide at R3 in beans than we got from fungicide. Also, frogeye leaf spot exploded in the Midwest in 2018. With all that inoculum overwintering, chances are good that it could explode again in the summer of 2019 if we get warm, wet weather.

As we look forward to 2019, we'll continue to help you navigate the challenging decisions that must be made as you deal with lower commodity prices and the ever-increasing complexity of crop production. We appreciate your business and look forward to helping you set the stage for success in 2019. 🌿



New Rail Cars Improve Service at Osceola

We were glad to have 24 new BNSF rail cars at our Osceola location this fall. Each car holds about 4,000 bushels of corn. Thanks to these new cars, we were able to load 96,000 bushels of corn in six hours on November 15, which meant farmers could keep delivering grain to this location. 🌽

UFC Offers NAPA, Tire Shops, Truck Shop

Providing you with useful products and convenient service close to home is important to UFC. We're pleased to offer:

NAPA store, service station and fuel pumps in Villisca. Located right along Highway 71, our NAPA store (712-826-2032) carries a wide selection of auto parts, hydraulic hoses and more. Our knowledgeable employees, including Rob Wheeler and Randy Walter, are ready to help you find what you need. Our NAPA location also includes a diesel island with three fuel pumps and a keytrol with unleaded fuel and E10 (10% ethanol). Next to NAPA you'll find the

UFC service station (712-826-2172). Service technicians James Heuer and Jule McCuen can handle oil changes, tire rotations and can install new tires on your vehicle. They also provide an on-farm tire service truck. Our NAPA location and service center in Villisca are open from 7:30 a.m. to 5 p.m.

"I appreciate the NAPA store in Villisca, because they have everything you need, including fuel. They also offer fast, dependable service."

—Beverly Goddard, Villisca

Monday through Friday and from 7:30 a.m. to noon on Saturday.

Tire shops in Corning and Clearfield. We can supply you with a wide variety of high-quality tires and automotive-related services, including oil changes. Contact us in Corning (641-322-4310) and Clearfield (641-336-2050) Monday through Friday for more details.

Truck shop in Afton. While the crew here primarily handles work for UFC vehicles, they can do everything from engines and drivetrain work to tires. Contact our Afton location (641-347-8428) for more information. 🌽



Enjoy Christmas Shopping at UFC's Mt. Ayr Country Store

Santa visited UFC on December 8 in Mt. Ayr, and we hope you stop by, too, for all your holiday shopping! You'll find:

- Aspen dog houses and pet beds keep your pets warm and secure. Don't forget heated pet bowls and buckets from Farm Innovators, in 1-quart, 6-quart and 5-gallon sizes.
- Farm Innovators Utility de-icer, stock tank de-icer, and floating or submersible tank de-icer to keep your livestock's water flowing.
- Polar King outerwear by KEY®, including insulated chore coats and bibs for the whole family. New this season we have cozy, warm quarter-zip sweater knit pullovers and zip-up garments for guys and gals.
- Muck® boots for warmth and comfort. These insulated, high-quality boots for all are waterproof, fleece-lined, breathable, easy slip on and off, as well as slip-resistant. We offer a super selection and great prices!
- NEBO® flashlights and work lights. These make great stocking stuffers.
- Winter auto care. We carry Power Service winterizer, Diesel 911 (which restores flow to engines blocked by gelled fuel), Howes Diesel Treat conditioner and anti-gel, and Stanadyne diesel fuel additive for all-season protection.

For more information, call our Mt. Ayr County Store at 641-464-3821. 🍀



Shift Away from Soybeans?



by *K.C. Nash,*
grain department
manager

While big crops get bigger, it's clear now with harvest wrapped up that this year's crop peaked in September. Since then, the numbers have been trending lower, although carryouts are a different story—and they have a huge impact on market fundamentals.

In November, the U.S. Department of Agriculture (USDA) reported a national corn yield of 178.9 bushels per acre. The national soybean yield came in at 52.1 bushels per acre. The market was expecting 53 bushels per acre on soybeans and 180 bushels on corn.

USDA pegged the corn carryout at 1.736 billion bushels but raised its U.S. 2019 soybean carryover forecast by 8% to 955 million bushels, according to the World Agricultural Supply and Demand Estimates report.

It's no secret that U.S. soybean exports are not where they need to be. China is doing everything they can not to use U.S. soybeans. I've heard they've been buying all the Brazilian beans they can, along with beans from Canada and Argentina. China is also trying to reduce soybean meal demand for pigs by using canola and corn.

Challenges defined 2018 harvest

Closer to home, soybean yields were extremely variable across UFC's trade territory. We estimate the big rain events that hit Iowa for two weeks in early to mid-October cost 10 bushels per acre in our area. We also saw damage in soybeans—something we hadn't seen in years.

While soybean yields were down, in general, in our area, corn yields were up, even though there was some greensnap in late June. When you look back on 2018, it's clear this was a challenging year.

Going forward, it feels to me that we're probably set to have a big shift in acres away from soybeans into corn, and maybe into wheat. I also think corn has some potential to rally this winter. If we have any rallies, think about selling some 2019 corn, too.

Look at minimum price contracts

A lot of people have been putting beans in storage while they wait and see if the trade war with China gets settled. We're running out of time to get this settled, though.

Speaking of things outside our control, hoping that farmers in other parts of the world have a poor crop is not a marketing plan. Instead, I encourage you to look at grain marketing tools, especially minimum price contracts.

If you want some cash flow now while being able to capture upside potential in the market, minimum price contracts are a good tool. You can sell the grain and re-own it with a call option.

Let's stay in touch

If you have any grain marketing questions, contact your nearest UFC location for details, or call me at 712-829-7420 (direct line) or 712-623-4953 (Red Oak's main line). We appreciate your business and look forward to serving you in 2019. 🍀

Got Grain Contract Questions?

We offer price-later contracts, minimum price contracts, hedge-to-arrive (HTA) contracts, basis contracts, deferred payment contracts and more.

For more details, contact your nearest United Farmers Cooperative location, or call K.C. Nash at 712-829-7420 (direct line) or 712-623-4953 (Red Oak's main line). We look forward to working with you.



**ENJOY CHRISTMAS
SHOPPING AT UFC
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AFTON
641-347-8428

CORNING
641-322-4310

DIAGONAL
641-734-5303

HAMBURG
712-382-2016

MOUNT AYR
641-464-3821

SHENANDOAH
712-246-2474

ANITA
712-762-3217

CLEARFIELD
641-336-2311

ESSEX
712-246-2474

LENOX
641-333-2202

OSCEOLA
641-342-2139

STANTON
712-829-2117

ARISPE
641-347-8428

**CRESTON FEED
RETAIL**
641-782-7202

FARRAGUT
712-385-8176

MACKSBURG
641-768-2436

RED OAK
712-623-2575

VILLISCA
712-826-2232

Plan for Success in 2019



*By Cory Reed,
Lenox location manager*

Are you waiting to lock in your crop inputs for 2019? I've been here 20 years, and there were only two times when fertilizer and other agronomy inputs dropped in price during the winter.

I encourage you to make a plan now for your 2019 crop. Give your UFC agronomist your budget, and we'll work with you to help you make the most of those dollars.

Be sure to take a look at fungicides. We've seen a consistent 6- to 8-bushel yield advantage in soybeans in our area where fungicides were used in the past four to five years.

As you place your fertilizer order, follow your soil tests and don't cut back if you need to add more nutrients. Also, don't wait too long to make a decision. It looks like fertilizer prices are going to keep



rising. Growers who didn't buy anhydrous earlier this fall are now wishing they had.

Prepay is available now, so make your agronomy input decisions by mid-January for the best deals. Also, count on your UFC agronomist to help you choose the right options

Jordan Cooper (left), who handles agronomy sales for UFC, helped Red Oak-area farmer Kent Swanson plan for his 2019 crop.

for your acres. We appreciate your business and look forward to serving you in 2019. 