



Return Service Requested

P.O. Box 40, Osborne, KS 67473-0040

LOCATIONS AT:

| | | |
|-------------|---------|---------|
| Alton | Corinth | Mankato |
| Bellaire | Downs | Osborne |
| Bloomington | Lebanon | Portis |
| Burr Oak | Luray | Waldo |

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Newsletter

December 2019

Manager's comments

by Dell Princ

I hope everyone had a great Thanksgiving. We are thankful as I'm writing these comments that fall harvest is about done. And what a harvest it was. We not only handled a record 13.7 million bushels of grain, but we blew the previous high away by nearly 2.0 million bushels. Fortunately, the crops dried down and the harvest came in with few weather interruptions. We appreciate and thank our patrons for their use of our facilities and services this harvest.

At the end of October, we had completed seven months of our fiscal year. I am happy to report that Midway Co-op's earnings are on track for another good year. Midway has handled more than 18.0 million bushels of grain this year, when you throw in the great wheat harvest and this will pave the way for our financial success. All departments are doing well, and we will continue to provide the services that you require.

In addition to this, it appears the regional cooperatives that Midway does business with are also having a great year. It looks like we will receive a considerable amount of patronage from them. This will add to our income and increase our patronage passed on to our members. This is the beauty of the cooperative system. Members share in the profits!

We are fortunate that your Midway board has continued to approve the construction of additional grain storage. This year we added a 600,000-bushel McPherson concrete tank at Lebanon. Midway will continue to look at other storage opportunities as we move forward. This storage is necessary not only for

handling your grain efficiently, but also for taking advantage of grain marketing opportunities. We have also just completed the construction of a state-of-the-art Chemical/fertilizer containment building at Bellaire. This will replace their old containment, which at one time was the first enclosed containment that Midway built. This new construction was necessary because its useful life was over.

As I mentioned earlier, we did have a record fall harvest. When you read the grain department report, you will see how much went on the ground. Most of it is covered and the grain that is not will be picked up as quickly as possible.

Some of you might have heard that October is Co-op month. Soon it will be our 112th anniversary and we are proud that we can provide all the services that you require for your farming and ranching needs. We will work hard to manage as efficiently as possible and continue to provide the services while maintaining the profitability, which continues to enhance the services that are required by our members.

Again, I would like to thank our patrons for their support of Midway's facilities and services. I also want to thank our employees who put in the extra hours to keep you coming back. We appreciate your patronage and wish everyone a very Merry Christmas and a safe and prosperous new year.

Equity Payout

The Midway Board has approved a 5% equity payout. They elected to pay (retire) 5% of all patron's equities. This amounts to more than \$1,500,000 in cash that will be paid. Members will receive their checks this month. Remember this is a NON-taxable payment as the taxes were paid on the year the equity was earned.

Agronomy

by Ron Reneberg

I would like to start out by Thanking You, our valued customer, for all your business this past year. I know that it has been a big year with many challenges such as wet weather delaying fertilizer start-up, less than desirable planting conditions, crop disease issues, government program changes and let's not forget tariffs hurting commodity prices compounded by political frustrations. Your determination to use your Midway Cooperative to grow the best crops possible shines through in times like this and I sincerely hope this fall harvest has been one that rewards you for all your hard work. Midway's agronomy team is here to support you through all your cropping challenges and needs to continue your success today and for generations to come.

As we evaluate this past year's crop performance, we need to remember the nutrient removal that has occurred with the high yields we have taken off many of our acres. Abundant rains giving us above average yields in many instances have allowed for greater than normal mineralization, nutrient removal and in some areas leaching per acre. Midway's agronomy staff is ready to work with you on pulling soil samples this fall and assist you in making sound management input decisions and take advantage of Midway's fall fertilizer early discount programs to better enhance your bottom line. Contact any of your Midway Coop area location managers or field staff to get signed up.

From the Grain Department

By: Suzanne Roadhouse

A big thank you goes out once again to all our patrons for helping us enjoy a record fall harvest. The harvest was also one of the smoothest I ever recall, with very few weather delays. We are still receiving grain as I'm writing this article and it continues to increase to make the record intake even higher.

Your Cooperative has handled nearly 13.7 million bushels of grain. We have received more than 6 million corn, nearly 4 million of milo and 3.5 million beans. The corn and beans are the most ever received of those commodities. The previous record was 12.0 million bushels in 2016. We were shipping constantly during harvest to make room and still couldn't keep up with the fast pace. We piled nearly 5.0 million bushels of corn and milo in bunkers or on the ground. About 3.0 million is covered and the remaining bushels will hopefully be picked up by the end of

December. Lebanon had 750,000 bushels of wheat and milo on the ground prior to harvest that was put there to make room for harvest. With all the wheat and milo on the ground prior to harvest and what was dumped there during harvest, there is more than 5.5 million on the ground and our elevators are full. We have more than 17 million bushels of grain (including wheat) to market and that will keep us very busy for the foreseeable future.

Just a reminder that you can sell your grain now and not take your payment until January of 2020, however as of December 1st we will not pay interest on grain to be paid in January. If you have deferred your payment until January, your checks will be available for pickup at the General Office or mailed from here on January 6th. If you intend to pick up your check please call and make arrangements, so the check does not get mailed.

Happy Holidays to everyone and Thanks for your

Farm Bill Decision: PLC or ARC?

By Cullen Riner

Between now and March 15, 2020, producers & landowners will have the opportunity to elect one of two programs – Price Loss Coverage (PLC) and Area Revenue Coverage (ARC) at the FSA office. This letter is intended to help you make a better educated decision, as the right choice could potentially add some needed dollars to your farming operation. Here are some main points to consider: 1) This election is for the 2019 and 2020 crop years. Subsequent program elections will be single year elections for 2021, 2022, & 2023. 2) There is no need to hurry and make this election! Since these programs utilize the Market Year Average (MYA) price and the final county yields to determine potential payments, let's wait as long as possible, and get as much information about both, before making our choice. 3) This decision is by farm and by crop. You could split your choices if you wanted to, unlike crop insurance, which is by crop and by county. 4) PLC is the default program election. Producers/landowners will still have to enroll in the program each year if they wish to participate. This decision boils down to whether you'd prefer to add a price floor (with PLC) using the Reference Price for each crop, or whether you'd prefer to add a revenue support (with ARC-CO) using each crop's benchmark price, times 86%, times the 5-year Olympic average yield. That decision was much more favorable to ARC back in 2014, when the ARC benchmark prices were much higher than they are today.

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• decision

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Today, with all crop prices lower, that decision looks a little different. In summary, as of this writing near the end of November 2019, the Price Loss Coverage (PLC) program looks more attractive than Ag Risk Coverage (ARC) program in most areas due to: 1) PLC reference prices are all the same as with the 2014 Farm Bill, while ARC prices are significantly lower than in 2014. 2- Commodity prices are relatively low now, and likely expected to remain low through 2020. 3) Ability to add the Supplemental Coverage Option (SCO) to your individual insurance policy; 4) With a high yield and a low price, PLC would likely pay while ARC may not. 5) With a low yield and a high price, PLC wouldn't pay, and ARC may or may not pay, depending on the final revenue. 6) This decision will be for the 2019 and 2020 crop years. You'll be able to change program election for 2021 and forward if desired. 7)- Continue to monitor the variables involved – MYA price, 2019 county yields – until March. Check out these websites for more information:

ARC/PLC Fact Sheet:

https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/FactSheets/2019/arc-plc_overviewfact_sheet-aug_2019.pdf

Farm Service Agency:

https://www.fsa.usda.gov/programs-and-services/arc-plc_program/index

Kansas State University:

<https://www.agmanager.info/ag-policy/2018-farm-bill>
University of Illinois: <https://farmdoc.illinois.edu/>

Texas A&M University:

<https://agrillifeextension.tamu.edu/solutions/farm-bill-decision-aid-tool/>

The Chemistry Conundrum by Jeff Hammer

What else can you say about the last 18 months? We came through a hot, dry summer of 2018 followed by one of the wettest fall harvest periods on record nationally. The wet conditions continued through planting season this past spring creating seeding issues. The summer moisture continued above average to give us the largest fall crop ever, which thankfully came with some good harvest weather. I know the crazy fall will leave everyone wanting to relax on major input decisions. Chemical programs will be far down the priority list, but I want to address the changing landscape on chemistry.

My how my 18 years in the business have changed! I started with low commodity prices accompanied by low input costs in the days when 1 pt. of glyphosate would kill everything dead. Pre-emerge products were a complete afterthought and you could keep a Roundup tolerant corn or bean field clean for \$20/ac. Obviously, we all know the rest of the

story and now we have Dicamba and 2,4-D resistant crops as the latest developments in herbicide tolerances. These are great technologies, but the reality is we end up in the same place as we did with roundup only. We have stressed mixing up herbicide modes of action as being the best way to slow down weed resistance but now we have economic factors that are weighing heavily on those decisions.

Of the Five major players left in the Ag chemical industry, only two are left without a major seed portfolio (BASF & FMC). Bayer (who gobbled up Monsanto), Syngenta, and Corteva (Dupont & Dow) all make up nearly 80% of the seed business as we know it today. Of these three only one (Corteva) is headquartered in the U.S. so our Ag chemistry and seed industry is truly global. BASF and FMC are specializing in chemistry and spend majority of their research dollars there. With all the changes that have occurred there is one thing to remember when it comes to the current landscape of Ag chemicals – there has not been a new herbicide mode of action released in nearly 3 decades.

As we look at it today, it comes down to a simple fact, every major manufacturer is using a similar playbook with the misdirection coming by way of premixes which are too many in number to count. Therefore, deciphering the quantity of active ingredient for the price is what matters in these challenging economic times. Obviously, there are other factors (crop rotation, tillage practice, product support, generic or branded). The end cost per acre of herbicide programs today is also further complicated by the rebate game. With the consolidation that has occurred the past three years, most of the players in the Ag Chemistry game have a broad portfolio to choose from with an offering to fit most timing and crop applications. Therefore, nearly all manufacturers have rebate programs in place to reward growers for using more of their products on the same acre. Yes, I said the word all farmers hate.....REBATE! I despise them as much as anybody but to ignore their existence can be a missed opportunity. To combat the rebate game, businesses like Farmers Business Network and AgVend have made impacts with low cost transparency through internet ordering platforms that eliminate rebates. Same day service, product quality, and representation are the main drawbacks from these business models, but they have made notable disruption in Ag Retail. The rebate programs are getting more aggressive to combat the e-commerce disruptors. Programs for 2020 from certain manufacturers can add up to \$20/ac. Midway Co-op can help dig through the details to find a program that works for your operation. We realize everyone has different needs and budgets to work through. All we ask is give us your crop protection budget along with expectations and we can build a herbicide program that will work for you. We also have several financing options available, some with 0% interest rates. We can't wait to talk with you about your upcoming 2020 herbicide needs. Thank you for your business.

Managing Phosphorus

by *Brian Mans*

Another harvest is in the books, and it is time to start planning for your 2020 crops. With the low commodity prices, it has never been more important to manage input costs without sacrificing yield. Often times phosphorus is one of the inputs that is cut back or out completely. However, before deciding if reducing or eliminating a "starter" application, we need to consider taking soil samples and analyzing parts per million as it relates to pounds of phosphorus and how to build and maintain phosphorus levels.

Soil samples are an important tool in managing your phosphorus. The soil sample results will include phosphorus parts per million in the soils giving you a starting point to start making decisions. When you know where the phosphorus levels are, it makes it easier to decide how much starter you should apply. Once I have soil sample results, how do I use the data? How do I know how much available phosphorus that equates to? Soil samples will show your results in parts per million. An old rule of thumb is that parts per million multiplied by 2 will give you the total pounds of phosphate available for your crop. If a soil sample report shows that parts per million is 20 or more, it should be enough to meet crop needs on dryland acres. However, even with high phosphorus levels, banding some starter has proven to have a positive impact on yield.

Building phosphorus levels in the soil is not as easy as one might think. It takes 18 pounds of phosphorus to increase soil level parts per million by one. This also does not allow for any crop usage. Current prices and conditions make it hard to justify building phosphate levels in soils that are deficient, but we want to make sure we apply enough starter to keep from hurting yield potential. Banding 3 to 5 gallons of a starter product is not enough to meet crop requirements. These lower gallon applications are going to cause mining of the phosphorus out of the soil. To maintain or build your soil levels, broadcasting dry when spreading urea is a good way to achieve this.

Midway Co-op will take composite soil samples on your farm for only the cost of analyzing the soil sample, as long as you are purchasing fertilizer from us. Knowing the fertility levels in your fields is as important now as it is when commodity prices are high. While we cannot control commodity prices and weather, it is important that our fertility does not become the limiting factor. Please contact your local branch manager or your agronomist if you would like soil samples taken on your farm.

Protecting your Investments

by *Joe Princ*

I hope everyone had a good Thanksgiving. Fall harvest is hopefully finished for everyone. For the most part it sounds like everyone had good crops to harvest this fall. At this point, it is time to start making plans for next year's crops. Right now, we have our Winter dry fertilizer program going on. I want to discuss a couple of products that can help you to protect your fertilizer investment.

I'm sure most of you have heard of Agrotain, but I want talk about how it can put more money in your pocket. Agrotain is a nitrogen stabilizer that helps to reduce nitrogen volatility by inhibiting the urease enzyme. Volatility occurs when urea comes in contact with a small amount of moisture that causes a reaction with the urea and urease enzyme. This reaction causes ammonia gas to be created and released into the air. Studies have shown, that under the right conditions up to 40% of your applied nitrogen can be lost through volatility. Applying Agrotain to urea fertilizer can help to reduce the amount of nitrogen lost to the air. When volatility occurs, not only the fertilizer cost is lost but also yield potential for the crop is reduced. When turning in your fertilizer to be run this winter, consider using Agrotain to help maximize yields.

Avail is a phosphorous enhancing product to be used on dry or liquid phosphorus. It works by creating a negatively charged shield that protects the phosphorus from getting tied up by calcium, iron, magnesium, and aluminum in the soil, thus making it readily available for plant uptake. Phosphorous is important in getting a crop started by increasing root mass, stand uniformity, and overall plant health. The best placement of this product would be in furrow at planting time, especially where soil test levels are low. Surface application treatments are not as feasible because phosphorus is immobile in the soil. When surface applying phosphorus, it is more beneficial to apply more phosphorous than treating it to help build soil levels. According to tests done by K-State, when Avail is used in furrow it can increase wheat yields by 8% and corn yields by 6%. When using Avail, the company supports it by offering a performance guarantee. If you sign up for the performance guarantee, and the yield increase does not cover the cost of the product, Verdesian will send us product back and we will reimburse you.

If you have any questions on these products make sure to call your agronomist or branch manager. Thank you for all your business in 2019. Have a Merry Christmas

Winter Essentials for your car

by *Terry Zvolanek*

It's too late to prepare for a winter road emergency if you're already in one. That's why when it comes to winter road safety, it's important to be proactive. Planning for the worst is the best way to make sure you're prepared to handle any situation. • See car page 5

• car

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Here are a few items you should always keep inside your car's winter emergency kit.

1. Pen and paper: Writing utensils may not be the first items that come to mind when you think about winter road safety, but a pen and writing pad are valuable to have on hand. If you need to call for a tow, the dispatcher may have additional phone numbers you'll need or an incident number. In the event of a collision, you'll need to be ready to take down the other driver's information.

2. LED flashlight: Whatever quick fix you need to do – changing a flat, checking under the hood, a small LED flashlight can be a huge help. In an emergency and LED flashlight is also an effective way to signal to oncoming traffic that you're in distress. Make sure you pack extra batteries too.

3. Road map: Yes, everyone has smartphones these days, but in an emergency, you never know if you'll be able to rely on an app. As soon as you're out of range or the moment your battery dies, there goes your map. As a fail-safe, always keep a good road map with you. No matter how remote the area, a good, old fashioned paper map will still work anytime you need it.

4. Water: If you're stranded in a remote area, staying hydrated might not be on your mind, but keeping up your body's fluid intake is incredibly important. That's why you should always keep extra water in your vehicle. According to Outdoor Life magazine, it's best to store extra water in a stainless-steel container, because if the water inside freezes, it can be melted using a heat source – not an option if your water's in a plastic bottle. Be careful, as the metal will become hot.

Do yourself a favor and keep these items inside your vehicle during the winter. For a full winter road safety kit, you should also pack extra winter gear, warm blankets, non-perishable snacks, a first-aid kit, jumper cables, a cell-phone charger, an ice scraper, a shovel and cat litter for gaining traction in slippery conditions. They say fortune favors the prepared, and when it comes to winter driving, truer words have never been spoken.

General Office Update

By Craig Mans

Once again, at the November Board Meeting the board of Midway Coop voted to retire (pay) 5% of your equity. This amounts to over **\$1.5 million** in total payout. Checks will be sent out in December. A reminder that the taxes are already paid on this payout.

We are mailing out a Domestic Productions Activities Deduction (DPAD) notification, just as we did last year.

This is a notification only of the tax deduction that Midway is passing onto our patrons for the grain business ending in our March 31, 2019 fiscal year. This is the notification of the deduction that will show up on your 1099 for 2019. There is nothing you need to do now. Please consult your tax advisor to maximize your use of this deduction.

CFA has a new application this year called Simpli-Fi. The application is very simple and is intended to fill out and sign with no additional paperwork. This is not always the case, but really does make for an easy process for the producer. CFA offers a very low variable interest rate that is currently at 4%. If you are interested in starting a CFA note; please contact me, your local elevator manager, Brian, Jeff, Joe, Tanner, or Wyatt for more details. Also, a reminder that CFA will email your monthly statement to you unless we request the statement to be mailed. Please contact me if you haven't received your statement.

We are developing a new website that we plan to unveil in March of 2020. I am planning to showcase it at our winter meetings to give you an idea of what it will be like before we go live with it in March.

As the end of the year approaches, a reminder to bring all past due accounts up to date. Please contact Doug Storer at 785-346-5451 in the general office to discuss your account. Midway Coops charge accounts are designed to help with patron's monthly expenses and not as an extension for another line of credit.

I hope everyone had a safe and bountiful harvest. Merry Christmas and a Happy New Year! Thank you for your business!

The Feed Mill

By Dean Heise



Mineral's Too Expensive?!?

"I cannot keep mineral in the feeder" is a common saying this fall. With the extra moisture this spring/summer, we have plentiful grass in a lot of the pastures, but the quality is low. The protein and mineral content is lower than normal and livestock is consuming more than usual amounts of mineral. Make sure they are not craving just salt, if it is easier to take a mouth full of mineral than to sit and lick on a salt block...that may be part of the over-consumption issue. Cows should eat about 1 lb. of mineral each week, if it is over 1.5 lbs., add loose salt to the mineral to slow them down. Don't skimp on mineral during the rebreeding of fall cows or the gestational programming of spring calves.

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If you can get one more cow bred or one more live healthy calf on the ground with today's prices on weaned calves that would pay for about one ton of premium mineral with chelated ingredients. (Almost enough to supply 40 cows for a year.) I have had many customers tell me that they are getting 80% of their calves within the first 20 days of calving and several have had 100% calve within 45 days. If you would like to tighten your calving window and get more calves on the ground, ask us about Breeder Xtra mineral. Start feeding it 2 weeks before you turn the bulls in and for the next 45 days after, you will be amazed the results in 9 months! I would suggest using it on the bulls 45-60 days before you get ready to use them so they are at peak performance when you turn them in with the cows. Phosphorus is a key nutrient when it comes to getting cattle bred, make sure that trying to save a couple bucks per bag of mineral doesn't cost you a calf at weaning time.

Don't forget that our mineral promotion will be coming again in January so you can get 1 free bag when you buy twelve bags of any floor stocked range mineral.

Maximize Feeding Efficiency

To maximize your cattle's genetic potential and minimize feed costs, we have to utilize all available nutrients going into the cattle. Hay availability is good but there are a lot of low quality forages being mixed with wet distillers grains so we need all the help we can get to be able to breakdown the roughage. Alfalfa has a lot of variability again this year on quality and how many times it got rained on before baling, don't leave out this option when looking for protein sources and it helps balance the Calcium:Phosphorus ratio. Wet distillers is somewhat of a challenge this year with availability and price, contact us to run a least cost on your mix to see if it is cheaper to use other protein sources to feed the cows or calves in your lots.

We offer many types of ionophores and yeast to meet your various needs: from reducing bloat, increasing feed efficiency, helping forage digestion and utilization, to preventing/treating scours. They can be mixed into complete feeds, supplements, or made into a top dress for specific hand feeding needs.

With harvest wrapped up, many of you will be utilizing stalks. There is a lot of forage there to be used but the digestibility of these stalks is not the best and needs some protein to help utilize it. Our Golden Feeds protein tubs are a perfect fit to provide a complete protein and mineral program for beef cattle. Consumptions can be adjusted from $\frac{1}{2}$ lb. per head per day with 35-40 head per tub to 1+ lbs per head per day with 12-15 head per

tub. Salt needs to be fed free choice as the tubs contain no salt. Some fields have excessive grain on the ground so use caution when turning onto these fields. We have 12-8 Mag/Yeast mineral designed for use on these fields that will help with the acidic overload that corn/milo will create in the rumen. If the grain is really bad, you may want to add sodium bicarbonate to the water tank also to help buffer the rumen. Give us a call and we will help you through the winter grazing season so you are ready for calving.

Thank you for your patronage and please have a Safe and Happy Christmas Season.



DIRECTORY

General Office346-5451

Elevators

- Alton.....984-2214
- Bellaire.....389-6311
- Burr Oak.....647-6661
- Downs-Corinth.....454-3411
- Lebanon.....389-5311
- Luray-Waldo.....698-2311
- Mankato.....378-3116
- Osborne-Bloomington.....346-5821
- Portis.....346-2021

Service Stations/Propane

- Lebanon.....389-8561
- Luray.....698-2411
- Mankato.....378-3233
- Osborne.....346-5812

Feed Mill.....346-5441

Seed Cleaning Plant.....Portis.....346-2021
 Lebanon.....389-5311

OFFICERS AND DIRECTORS

- Larry Stanley (Lebanon).....Chairperson
- Jerry Lambert (Bellaire).....Vice Chairperson
- Lynn Cooper (Osborne-Bloomington)....Secretary
- Richard Conrad (Portis).....Director
- Brice Guttery (Alton).....Director
- Robert Newell (Burr Oak/Mankato).....Director
- Martin Ulrich (Luray-Waldo).....Director
- Dennis Rotman (Downs-Corinth).....Director
- Dell Princ.....General Manager