



Director Report

Tom Trahms, Board Chairman

Annual Meeting Review

Crystal Valley held its 88th annual meeting on February 5 at the Verizon Wireless Center in Mankato. At that meeting members of Crystal Valley voted to re-elect, to three years terms, board members Bryon Christenson, Tim Lewer, and Brian Wallace.

At the re-organizational meeting following the annual meeting, I was re-elected chairman of the board, Tim Lewer was re-elected vice chairman and Mark Christenson was re-elected secretary/treasurer. It was gratifying to see such a nice patron turnout on what was a wintery evening.

At that meeting I introduced to our patrons the concept of qualified and non-qualified patronage dividends. Qualified patronage is what Crystal Valley and most midwestern cooperatives have traditionally used. The board declares and allocates patronage for business activity in the preceding year, Crystal Valley sends a check for 40% of that amount in cash to the patron, and 60% is placed in the patrons deferred equity account to be redeemed in future years. The patron pays tax on the entire 100%. The term *qualified equity* refers to the fact that the dividend qualifies as a tax deduction for the coop in that year.

A non-qualified patronage distribution is treated differently. It is placed in the patron's deferred equity account to be redeemed in future years; however, the patron doesn't have a obligation on the non-qualified patronage until it is redeemed – until they receive the cash. The term *non-qualified* refers to the fact that the dividend doesn't qualify as a tax deduction for the coop until the year that it is redeemed in cash.

Our board is considering a hybrid approach where the 40% of patronage that is cash would be qualified and the 60% that is equity would be non-qualified. Patrons would only pay taxes on patronage when cash is received. We have some further studying to do, especially of the cash flow consideration to Crystal Valley, but if through the use of Section 199 deductions and/or accelerated depreciation the use of non-qualified equity can be cash flow neutral to the coop. We, as a board, will consider the use of non-qualified equity, because of the cash flow advantages it offers to our patrons.

Our board is considering a hybrid approach where they 40% cash portion of the dividend qualified and the 60% deferred equity portion would be non-qualified. Patrons would only pay taxes on patronage when the cash portion is received. We have some further study to do, especially of the cash flow consideration to Crystal Valley. But if through the use of Section 199 deductions and/or accelerated depreciation the use of non-qualified patronage can be cash flow neutral to the coop, we as a board will consider the use of non-qualified patronage and equity, because of the cash flow advantage it offers to our patrons.

Our board is also studying raising the minimum business requirement to be a voting member in Crystal Valley. Currently, to be a voting member, a producer-patron must have done \$5,000 worth of business with Crystal Valley during the previous year. The board strongly feel that the control and governance of Crystal Valley should remain in the hands of agricultural / producers who do business with the coop. We are considering raising the minimum business requirement for voting member to \$10,000, or more, per year. If this proposal is adopted, it would help the voting membership of Crystal Valley in the hands of our active crop and livestock producers.



Agronomy Report

Dale Botten, *Agronomy Division Manager*

Preparation for Spring Planting

After a long winter I think everyone is ready for spring to arrive. Our fall application season was shortened in the middle of November due to a long cold spell. However, all custom application acres on order were completed before the cold set in. I would like to thank those customers that took advantage of the opportunity to apply their crop nutrients last fall.

Many customers took advantage of lower crop nutrient prices during last fall's application season. This winter, crop nutrient pricing has been more stable showing cost of money increases as we move closer to spring. We certainly are in a world market where world governments, production shutdowns/startups and transportation challenges affect the price and supply of crop nutrients. We continue to recommend locking in your crop nutrient needs as you forward-contract your corn and soybeans. This allows you to lock in a price and ensures we have the necessary product supply when needed during the application season.

I would like to thank all customers who sat down this winter with our sales staff to plan their product and service needs for spring and summer. As mentioned above, preplanning and prepaying secure in a good price. In addition, it helps us have the product supply and service available when you need it during application seasons. As we go through spring and summer, I would like you to consider finalizing your product and service needs with Crystal Valley. This sets the stage for a successful 2015 growing season.

Your operations department has been busy preparing for the spring and summer application seasons. I would like to thank the operations team on doing a great job of maintaining our custom application equipment. This allows our custom application team to provide the best possible customer service this spring and summer. Crystal Valley was able to update two dry floater spreaders this winter. We updated our field service truck at Janesville in order to continue the elimination of downtime on our custom application units. In addition, we have added and/or updated tenders to deliver dry/liquid fertilizer and soybean seed. We increased our bulk soybean seed storage and updated our soybean seed treatment facilities at Janesville and Lake Crystal. We will continue to make site improvements at our Janesville location throughout 2015.

Our Precision Planting™ facility in Elysian is up and running. Precision Planting™ is a leader in agriculture technology. It develops innovative products and solves important agronomic issues facing growers. It provides insights and assistance so each farmer can reach their best yield. We are taking customer orders for parts and scheduling installation coming in for this new Crystal Valley service. Contact Ben Youngerberg today at 507-833-2939 to learn more about this leading technology.

To help maximize the grower's profit-per-acre, we have a full-time/in-house Precision Ag department that continues to grow its program offerings. With high rents and land prices, we want to maximize the grower's profit-per-acre by intensifying the use of Precision Ag. Precision Ag starts with knowing your soil fertility, soil Ph, and organic matter levels. We recommend early summer soil sampling which allows for timely planning, prepayment/contracting and application of crop nutrients for the upcoming fall application season. Please ask about Crystal Vue® to help you gain an edge. Our sales agronomists will continue to share the Crystal Valley Precision Ag offerings with you.

As we approach the busy planting season, our sales staff would like to finalize your spring agronomy needs. To ensure the best possible service, Crystal Valley would like to request 24-hour notice for any spring application needs that you may have.

Have a safe and successful spring planting season.



Agronomy Update

Matt Schoper, *Agronomy Sales Manager*

Spring Checklist Before Getting in the Fields

Every year you go through your checklist to ensure you are ready to get in the fields when the conditions are fit. You may want to add a couple of items to your list that we would like to help you with.

Review Spring Plans: It is important to sit down one last time with your Crystal Valley Agronomist to be sure the spring plans are 100% documented and in place. This will help to ensure when everyone is in the heat of the season there will be no delays or miscommunications. This last review should be by-the-field involving fertility, chemical and seed placement.

Crystal Vue® & Grid Testing: Update your list of fields that need to be grid-tested this spring or summer or have the Crystal Vue® machine run across them. Spring and summer are an excellent time of year to have this completed as then plans can be made earlier for fall fertilizer applications.

Get your Meters Tested: It is imperative you get your planter meters tested every year to ensure the planting accuracy is the best it can be on every row. Our Precision Planting™ team is ready to help you out with this need. Call Ben Youngerberg at 507-833-2939 or talk with your Crystal Valley Agronomist for an appointment.

Precision Equipment: We still have room to update the equipment on a couple more planters before spring planting starts. Also, we plan to have E-flow on hand at every location. Pick one up next time you stop to discuss business. E-flow is a Precision Planting™-specialized graphite/talc to improve plant ability.

Seed Needs: Some have left acres this winter in an undecided status while evaluating the commodity prices. As you decide on which crop to plant this spring, keep in mind we have a good inventory of products to help you with your needs.

Climate Basic™ or Climate Pro™: Talk with your Crystal Valley Agronomist about getting signed up on Climate Basic™ or Climate Pro™ for this coming season. Both provide an excellent choice of great features right at your fingertips. They include rainfall totals at field level, aerial imagery of crop, field-level nitrogen supplies based on applications and many other tools. Be sure you link your account to Crystal Valley, so we can help you with this tool.

Planting Prescriptions: Jason Leary's (Precision Ag Specialist) schedule is filling up fast for completing planter prescriptions. Please talk to your Agronomist about completing this service. They can help set up an appointment as soon as possible.

Prepay: If you haven't prepaid all of your 2015 agronomy needs it isn't too late to secure discounts. This helps us know quantities and products needed for your operation this coming season.

Thank you for your business!

New Agronomists at Crystal Valley

We have two new Agronomists that joined our team at Crystal Valley. Please help me welcome them to Crystal Valley. They are excited to help serve you, our customers.



Taylor Rudenick started in mid-January working out of the Waldorf location. Taylor is a December 2015 graduate of South Dakota State University. Taylor grew up on a corn and soybean farm outside Nicollet.

He completed an internship with Crystal Valley in the summer of 2013. This past summer, he completed an internship with Winfield Solutions as a Regional Agronomist Trainee.



Duane Schlieman started on March 2nd at the Nicollet location. Duane is a graduate of North Dakota State University. Duane started his career as a Crop Consultant for Central Crop Consulting as well as running his family farm in West Central Minnesota.

Duane also spent six years with Minnesota Valley Testing Laboratories as their Agronomy Sales Rep. This experience provided him with an in-depth knowledge of managing soil fertility. His latest position was with Syngenta as their Agronomy Services Representative where he provided technical agronomy support in crop protection, seed and seed treatments.



THE CLIMATE CORPORATION

SET YOUR PLAN FOR THE SEASON WITH CONFIDENCE

Combine your experience with insights from Climate Pro™, a powerful decision support tool that helps you make more informed decisions. Climate Pro™ helps you stop problems before they impact yield and improve efficiency with smart, field-level information – all captured in one place so it's easy to share with your trusted advisor. Insights from Climate Pro™ build on the field intelligence provided by Climate Basic™ for a feature-rich, decision-support tool.

CLIMATE BASIC	CLIMATE PRO
Weather	Weather
Alerts	Alerts
Scouting	Scouting
	Nitrogen Advisor
	Field Health Advisor

Call your **Crystal Valley** Agronomist today to learn how to enroll for

Climate Basic™ or Climate Pro™

Crystal Valley: 1-800-622-2910 • Climate Corp.: 1-888-924-7475

Precision Planting®

Maximize the return on every square foot of your field. Our tools give you the knowledge and control to make every seed count.

For more information contact:
Ben Youngerberg
Precision Specialist

Office: 507-833-2939
Cell: 507-420-9251

ben.youngerberg@crystalvalley.coop

51711 221st Avenue · Elysian, MN 56028

Keep an eye out for Crystal Valley's new Precision Planting® truck and trailer!



Modern planters are amazing machines, but there's room for improvement - in monitoring, metering, depth control and more. Room to grow. Room for better yield.

Precision Planting® makes room for improvement...room for a better return on your investment. We make tools that will boost your yield enough to pay for themselves quickly, often in one year. And they pay you for many seasons to come.

From among these, you may find one or two that resolve specific issues you're struggling with. You may find that the entire suite gives you everything you've ever hoped to achieve in your fields.

- » 20/20 SeedSense™ for better monitoring, in-field troubleshooting analysis
- » FieldView® and FieldView® Plus for information mapping that enhances decision making
- » DeltaForce® and AirForce® for automatic down force and control and improve germination
- » RowFlow® and vDrive™ for bushel-boosting prescription execution and population control
- » eSet®, vSet® and Precision Meters for spacing and singulation that make every seed count
- » WaveVision® for precise seed counts in any conditions
- » CleanSweep® for cab-controlled row cleaner adjustment
- » YieldSense™ for more accurate yield data

MeterMax® Ultra and Precision Planting® are registered trademarks of Precision Planting LLC ©2014 Precision Planting LLC



Grain Marketing

Ryan Brandts, *Grain Marketer*

Playing the Markets in 2015

With winter coming to an end and planting intentions on everyone's mind, the hope is to fight for acres to obtain a rally in the markets. Looking at the corn-to-bean ratio, beans are only at a slight advantage to corn. Will that be enough to give corn a rally? Or, will beans go down to meet corn? On Feb 20 the USDA came out with their Ag Outlook Forum. Everyone anticipated they would project more bean acres over last year. Surprisingly, they decreased bean acres 200,000 and 1.6 million for corn over last year. The market did not take a lot of consideration from those numbers. We look forward to future reports for more accurate information.

The March 31 Planting Intentions Report is just around the corner. This will give us a benchmark as to what the U.S. farmer will plant in 2015. Most trade guesses for beans are 82.1-88.3 million acres and corn 86.2-90 million acres. These projections leave us with a significant amount of room for opportunity and risk. If the numbers come in as a shock, it might not be a bad idea to have some orders working that day or have a floor put in on some bushels to limit down-side risk.

There are a few things to note that might bring some marketing opportunities this spring. Recently, there has been a trucker strike in Brazil that has been blocking the main roads to the south ports where 70% of their beans are exported. If cargos have to be switched to the U.S. or their corn planting gets cut short, it could bring support to the market. As always, the market could get incredibly volatile if there is any large area with planting delays, prevent plant or weather scares.

With prices having relief from the harvest lows and in a sideways trend, it's not too early to be looking out into this coming fall or even into the summer of 2016. July 16 is trading around \$4.35 if you were to lock the futures with an HTA. When July 16 rolls around you get a -.30 basis. That's still \$4.05 corn. I'm sure if we could bid \$4.05 corn today, there would be a lot more corn being sold. Just a reminder it's never too early to look forward even when nearby prices don't look so good.

Your Grain Marketing Team hopes you have a great and safe spring!



Joe Williams,
Grain Marketer



Jim Johnson,
Grain Marketer

Interesting Facts



Farmers today produce more than 262% more food with 2% fewer inputs than they did in the 1950's.

Where did the saying "living high on the hog" come from? It originated among army enlisted men who received shoulder and leg cuts while officers received the top loin cuts.

Each 265lb market weight hog with a 70% yield, using 8oz servings represents 371 servings of pork.

1971 was the year of the first heart valve transplant in a human using a pig heart valve.

"No man should be allowed to be president who doesn't understand hogs." – President Harry Truman

How to find out what a pig weighs:

Measure it's girth (in inches) by wrapping a tape measure around the animal just behind the front legs.

Then measure the length from the ears to the base of the tail.

The pigs weight (in pounds) will be equal to the square of the girth, times the length, divided by 400. If math isn't your thing, buy a **hog tape measure**, the calculations are built in.

American Farm Bureau Federation®



Grain Report

Jeff Spence, Grain Division Manager

Preparing for Spring Grain Reports

It looks like our weather pattern is going to change from being below normal temperatures to above normal temperatures. It would be nice to have an early spring to get the crops planted and improve our potential for an above average yield this year.

The grain movement has been slower this winter I believe because of two reasons. One, the crops in our overall area were not as big as the last few years. Two, the prices are not nearly as good as last year. The futures markets have been stuck in a sideways pattern because of the larger carry-outs for both corn and bean's forecasts for this marketing year. The dollar's strength has hurt our export demand and I don't see our carry-outs shrinking much this year over projections. With the war in the Ukraine and some financial problems in both Brazil and Argentina we could see some changes coming next year for our exports.

The March 31 Planting Intentions Report is the next big report that might affect the markets. There are a lot of different ideas out there about how many acres of corn and beans will be planted. With the lower prices for corn and beans and the input costs not dropping much, many people are looking for less corn acres and increased bean acres. I have seen guesses on beans of as many as 88 planted million acres and corn as low as 86 million planted acres. With the very large South American bean crop, planting 88 million planted acres of beans in the U.S. could cause beans to drop to prices we haven't seen since the early 2000s. Corn acres could be anywhere between 86 to 90 million planted acres which, depending on crop size, could

also lead to some prices we haven't seen for years or could actually reduce the size of our corn carry-out. I saw a weather forecast for spring planting time for the Midwest area of the U.S. that would cause real problems for planting both corn and beans. However, we know how unreliable weather forecasts can be when you start talking 90 days out.

We will need a real surprise out of the March 31 report or a weather scare to get a rally going in the grain markets. Remember we don't always get a weather scare every year. I believe this year it may be more important than it has been for many years to try and prevent being below water with your return on investment. You may want to have some marketing plans laid out before planting season starts. The futures prices for revenue insurance from February will be \$9.72 for beans and \$4.15 for corn.

We do not have any big projects this year going on in the Grain Division. We are upgrading our computer automation system in Madelia for receiving grain and loading trains. This will cause us to be down for a week or so in May in Madelia for receiving grain. We will send notices out on our bid emails and texts when we know the exact dates. We are searching for a new superintendent for Madelia and hope to make a final decision soon. We are glad to say we believe all the software bugs have been worked out in Hope. Operationally, they are at 100%.

Be safe this spring and remember sometimes the best time to sell corn and beans is when you are planting them.

Crystal Valley supports South Central College's Ag Symposium



Jason Leary, Precision Ag Specialist, participates on a panel for the students.



Roger Kienholz, General Manager, congratulates Mike Pace, 2014 intern, on his scholarship.



Crystal Valley participates in the sponsorship opportunities.



Local businesses support the Ag Symposium throughout the day.



Feed Report

Bob Raue, Feed Division Manager

Getting Everything You Need Out of Your Livestock Business

Spring planting season, a very busy time for many of you, is just around the corner. Let your Crystal Valley Feed team be your extra set of hands during this busy time. Your Crystal Valley team can manufacture and deliver any of your feed needs that you normally do yourself. This gives you needed time to do spring field work and plant your crop.

Are you getting all that you need to operate your livestock business from your feed team?

Here are some of the services that we offer our customers:

Projections - Using your inputs, we can supply you with financial information to help with your marketing strategies.

Pig Sourcing - Crystal Valley has many alignments with pig sources for spot pig purchases or with sources who offer short or long- term pig sourcing contracts.

Feed Budgets - Utilize these budgets when placing feed orders. Following budgets will help you stay on track when ordering feed. This assures you are not making a costly mistake by either over-feeding or under-feeding your animals.

Performance and Financial Information - We can supply feed usage reports which include feed costs, delivery dates, etc. Using your specific data, we can provide personalized performance and financial information.

Livestock Expansion Projects - Your Crystal Valley feed team can assist you by making recommendations on your building project. This includes, but is not limited to, financial sourcing, permitting, builder recommendations and assistance in the acquisition of a livestock source.

Marketing and Risk Management - Your feed team is happy to recommend people in the industry who currently work with area producers having the expertise to assist you.

Please contact your sales person, local feed mill, or myself to assist you with any of these needs.

As you know, all of your Crystal Valley feed mills are HACCP certified. But what does this mean to you, our customers? To be a certified mill, we are required to have procedures in place to provide traceability of

all ingredients and products that we sell. To ensure having this traceability, our mills have Standard Operating Procedures (SOP's) in place to cover all the processes we do to manufacture and deliver feed to our customers' livestock. Our commitment to our livestock producers and the consumers of their products is safe food for them and their families. If you have any questions concerning what we do in the feed manufacturing process or if you would like to tour any of our mills to see first-hand what is involved, please contact us. We would be glad to share this and any other information you might want to know about our mills.

Today's producers have an obligation and a commitment to keeping our environment safe while optimizing all tools available for producing livestock to feed the world. The producer today follows "Good Neighbor" management practices to protect the environment, family members and employees. We would like to provide you with some information on a product called EcoCare 2 lb Cap Pak that benefits the producer and the environment in the production of pork. We currently have several producers using this product because of its many benefits. It can be used with any feed program. One of the product benefits is that it helps reduce odor and ammonia levels in barns. This makes a healthier working environment and less stress on pigs. It also reduces manure solids, creates more uniform slurry, and reduces viscosity and stickiness resulting in less barn wash time. It also makes for more complete pit pump-out and enhances pit capacity. We highly recommend this proven product to our producers. If you would like to talk to someone who uses EcoCare 2 lb Cap Pak or would like more information, please contact your local salesman or mill.

All of the Crystal Valley Feed Team would like to thank you, our customers, for your business and the support you give us. It is always our pleasure to serve you. Please contact us if there is a service that you would like to see offered. We are here to help your operation succeed! Have a safe planting season!

Our Feed Locations:

Janesville..... 507-835-3646 or 800-201-3646

La Salle 507-642-3300 or 888-544-7687

Vernon Center 507-549-3722 or 888-501-5947



Energy Report

Jerry Conlon, *Energy Division Manager*
Biodiesel in Minnesota

In 2002, Minnesota became the first state to mandate the use of biodiesel when the legislature passed a law requiring that diesel fuel sold in Minnesota contain at least two percent biodiesel (B2). That law was implemented September 29, 2005. Since May 1, 2009, all diesel fuel sold or offered for sale in Minnesota has contained five percent biodiesel (B5). Minnesota continues to be a renewable fuels leader by increasing the biodiesel fuel yet again.

Beginning July 1, 2014, Minnesota law requires that diesel fuel sold in Minnesota contains 10% biodiesel (B10) during warmer months and reverts back to B5 in the colder months.

Biodiesel is a clean-burning alternative fuel made from domestic, renewable sources. The term biodiesel is a pure, unblended fuel and is referred to as B100. Like petroleum diesel, biodiesel must meet strict quality standards before it is accepted into the fuel distribution system. B100 must meet the America Society for Testing and Materials (ASTM) standard D6751. Biodiesel itself contains no petroleum but it can be blended with petroleum-based diesel at any percentage. Biodiesel blends can be used in most diesel equipment without modifications. Biodiesel blends are indicated by a "B" and followed by a number which represent the percentage of biodiesel in a gallon of fuel. For example, B10 would mean 10% biodiesel blended with 90% petroleum diesel.

B10 BASIS

- » As of July 1, 2014, all No. 2 diesel fuel sold for use in combustion engines must contain a minimum of 10% biodiesel until September 30, 2014.
- » Each subsequent year starting in 2015, all No. 2 diesel fuel must contain a minimum of 10% biodiesel starting April 1 until September 30.
- » From October 1 to March 31, the minimum biodiesel requirement for No. 2 will be 5%.
- » No. 1 diesel is exempt year-round from the biodiesel requirement.

The only exceptions to this mandate are:

- » Motors located at an electrical generating plant regulated by the Nuclear Regulatory Commission
- » Railroad Locomotives
- » Off-road taconite and copper mining equipment and machinery
- » Off-road logging equipment and machinery
- » Vessels of the United States Coast Guard



In accordance with the Americans with Disabilities Act, this information is available in alternative forms of communication upon request by calling 651-201-6000. TTY users can call the Minnesota Relay Service at 711 or 1-800-627-3529. The MDA is an equal opportunity employer and provider.

Here, at Crystal Valley, we will be available to fulfill any of your fuel needs. We can deliver fuel with our own drivers and trucks or by Cenex's automatic fuel delivery (AFD) system. Whichever way you decide how your fuel is delivered, Crystal Valley is committed to a great customer experience.

For any of your energy needs please call our main office in Lake Crystal 507-726-6455 or any of our energy salesmen.

Nathan Monroe (*West*) » 507-380-2324
Lloyd Skluzacek (*East*) » 507-514-2690
Patrick Madero (*North*) » 507-421-3119

**CHECK OUT
OUR NEW
FUEL TRUCK!**





Manager Report

Roger Kienholz, *General Manager*

Tom Trahms gave a good summary of the annual meeting and some of items that the board has been considering as of late. I'd like to expand just a bit on a couple of points for you.

First of all, to be a voting member of Crystal Valley, one must be an "at risk" agricultural producer and conduct at least \$5,000 worth of business annually with the coop. Crystal Valley was originally formed by ag producers for ag producers, and the board of directors wishes and intends to keep the voting control in the hands of crop and livestock farmers.

Now, one does not have to be a voting member in order to do business with Crystal Valley. Anyone can be a customer and receive patronage dividends from the coop. We do, however, have some basic requirements for patronage: 1) the operating division (agronomy, feed, grain, petroleum, or propane) must be profitable, 2) the entire company must be profitable overall, and 3) the customer must have done enough business to generate a patronage distribution of at least \$50 (we don't issue dividend checks for amounts less than \$20).

Questions often come up to me and the board concerning redemption of a patrons' deferred equities. We revolve deferred equity on the basis of the age of the equity, i.e. when it was earned by the patron. For example, last August we revolved equity from 1998 and a portion of 1999. This year we intend to revolve out the remainder of 1999 and a portion, or perhaps all, of the equity earned in the year 2000. We pay out all of a person's equity to estates upon notice of their death. We do not redeem equity based on the age of the patron or their retirement status.

Just prior to this year's annual meeting we generated 4,138 patronage dividend checks to our patrons for business done in FY 2014. We had over 5,200 customers last year, but only 1,541 voting members. Thanks to every one of you for your business and support of Crystal Valley.

With the favorable weather forecast, it appears that we may have an earlier spring than the last two years. Our agronomy division is all geared up and ready to provide your needs for seed, fertilizer, crop protection, and custom application services. Together we'll do our part to increase food production by 50% in order to feed the expected nine billion people in this world by 2050.

We wish you a safe and productive planting season!

Crystal Valley would like to recognize the following employees for their years of dedicated serving our patrons!

25 Years

Rosemary Burgess
Administrative Assistant
Lake Crystal



5 Years

Les Reed
Mill Operator
La Salle



5 Years

Lucas Kietzer
Custom Applicator
Madelia





Credit Report

Gary Hulke, *Credit Manager*

Thank You

This winter appears to be finally loosening its grip on us and it's time to put it behind us. Crystal Valley appreciates all of your purchases during this last heating season. The pricing was more placid this heating season compared to last year which helps make the heating expense more affordable. We appreciate all of your efforts in keeping your accounts paid up and current. Your prompt and timely payments help Crystal Valley run smoothly and efficiently.

Contracting

After this last winter's uneventful pricing, contracting to lock in a price for next winter may be a very attractive option as future pricing appears very favorable. The market behaves differently every year, but April, May, and June have usually been one of the better times to lock in a price. If this option interests you, call our main office at 507-726-6455 in Lake Crystal to find out more details.

The Silent Roamer | Interest Rates

How many of you have been focusing so much on concerns of cash flow on the farm, that long-term business decisions have been put on the back burner? It is so easy to manage the tangible concerns of today's business because they are right in front of us. When it comes to long-term viability, there is so much unknown that Marketing and Long-Term Planning get swept under the rug. I won't promise to be a marketing specialist, but I do know farmers can make or lose more money in one moment of marketing than in a whole season of managing the right agronomics. Now, I am not saying forget about the agronomics, because agronomics must be in place to have something to market. What I am saying is let's take a look at what the future could bring to the table. What could money cost us in the next decade? It could be a contender for one of the top inputs in agriculture.

In 2008, interest rates hit the second lowest they had been in the last 220 years. The only time interest rates were lower was in WWII. In the last decade, interest rates have gone up at approximately the same timely increments as what they had gone down. Many speculators think those timely increments will stay consistent in the next decade. However, we all know there are no guarantees. In the last year, long-term interest rates have gone up nearly 20%. Now if that were to continue we would see 10% interest rates in five years. What makes this next decade so unique is we are now in a global market. There are so many outlying factors that can alter the cost of money and ultimately, the value of the dollar. I hope we do not see 10% interest rates in the next five years. It's hard to predict how difficulties half-way across the world will affect us here in the USA. If I had to wager, long-term interest rates will go up sooner than later. With all those unknowns, it would be a good idea to assess your long-term needs and make sure they are in a financial vehicle that will protect your equity and preserve the ability to grow your operation. We all hope the cold hollow bellow of the 1980's does not happen again. If it does, and low corn prices eat up working capital and can no longer shield high interest rates, how will it affect you and your operation?



Ryan Feist, *AgQuest Financial Services*

For all your Financial and Insurance needs.

rfeist@agquest.net | 507-508-0206 | www.agquest.net





P.O. Box 210
Lake Crystal, MN 56055
www.crystalvalley.coop

PRSR STD
U.S. POSTAGE
PAID
Permit No. 16
Madelia, MN
56062

➔ GET SOCIAL WITH US



[facebook/crystalvalleycooperative](https://facebook.com/crystalvalleycooperative)



[twitter/@CrystalValleyMN](https://twitter.com/CrystalValleyMN)

DIRECTORY

Main Office
507-726-6455
800-622-2910

Darfur
507-877-5011
800-658-2475

Elysian
507-833-2939
866-317-3136

Hope
507-441-0036

Janesville
Agronomy
507-234-5155
507-835-1720
866-458-9886

Grain/Feed/Petro
507-234-5610
507-835-3646
800-201-3646

Lake Crystal
Grain
507-726-2051
800-451-3984

Agronomy
507-726-2057

Petro-Propane
507-726-6455

La Salle
507-375-3468
507-642-3300
507-439-6385
888-544-7687

Madelia
Agronomy
507-642-3276
800-245-5857

Elevator/Hwy 60
507-642-8896

Nicollet
507-232-3453
800-720-3453

Vernon Center
Agronomy
507-549-3056

Grain/Feed
507-549-3722
888-501-5947

Waldorf
507-239-2172
800-569-1321