



## **Director's Report**

**Dan Jones**, *Board Chairman*

### **FCA Co-op Annual Meeting**

The 107th Annual Meeting for FCA Co-op was held on Thursday morning, December 8, 2016, at the American Legion in Jackson with about 50 members in attendance. Greg Cargin, auditor with Gardiner Thomsen CPAs of Sioux Falls, SD, presented the financial audit report for fiscal year 2016. Chairman Mark Eggimann presented the Directors' Report and then introduced guests from Crystal Valley: Interim Manager for FCA and Crystal Valley General Manager Roger Kienholz, and Crystal Valley Directors Dan Jones, Mark Christenson and Tim Lewer. The results of the FCA director election held via mail ballot were announced with incumbents Gene Meyer, Mark Eggimann and Steve Fransen re-elected to the board.

### **Crystal Valley Annual Meeting**

The 90th Annual Meeting for Crystal Valley was held on Monday evening, January 30, 2017, at the Verizon Wireless Center in Mankato. A nice crowd of around 225 turned out on a night when temperatures were above freezing for a change. Dennis Gardiner, auditor with Gardiner Thomsen CPAs of Des Moines, IA, presented the fiscal year 2016 financial audit report. Chairman Dan Jones gave the Directors' Report and General Manager Roger Kienholz provided an overview of the company's operations and performance for the past year. Director elections were held with incumbents Dan Jones and Judd Hendrycks being re-elected without opposition. Retiring Director Mark Christenson of Madelia was recognized and honored for his 18 years of dedicated service and commitment to the success of La Salle Farmers Grain Company and Crystal Valley Cooperative.

### **Board Reorganization**

The two boards have met several times over the last three months, both separately and jointly as combined full boards. We've reorganized the executive committee for the new board going forward with Dan Jones of Lake Crystal as Chairman, Mark Eggimann of Jackson as Vice Chairman, and Tim Lewer of New Richland as Secretary-Treasurer. The other six directors serving on the new board are Bryon Christenson of La Salle, Dean Sonnabend of Vernon Center, Gene Meyer of Round Lake, Judd Hendrycks of North Mankato, Scott Fisher of Trimont and Tom Trahms of Janesville.

### **Fixed Assets**

The combined boards have made a number of decisions regarding fixed asset investments and facility operations. We've approved nearly three million dollars for purchase of new rolling stock and equipment for the Agronomy, Feed and Grain divisions. Also, we approved investing \$6.5 million into the Trimont grain facility for greater receiving, drying and storage capacity. You can read about these items in more detail from the Division Manager reports elsewhere in this newsletter.

## **Wilder Grain**

The boards have decided to put the Wilder elevator up for sale. Since FCA's purchase of the Wilder elevator in 2013, the volume of grain bushel handle has fallen well below expectations and projections. This fall we didn't take in enough bushels to even come close to filling the bins. The facility is small, old, slow and not built to commercial standards for grain handling and drying. The total operating expenses, including repairs and maintenance, insurance, taxes, depreciation and personnel costs, exceed the margins generated on the grain purchased through this facility. Last fall, FCA management had discussed with the board the possibility of selling the Wilder elevator, but it was decided to postpone any decision on it until after harvest. We emptied all the grain out of Wilder in mid-December. It has been closed since then.

## **Sherburn Grain**

The Sherburn elevator has been part of FCA for more than two decades, but the facility itself is far older than that. It was built to accommodate tractors with wagons and single-axle straight trucks – not the tandems and semis of today. This, too, is an elevator whose costs of operation far exceed the income produced on the bushels handled. We have no corn dryer in Sherburn and could never afford to pay for one on the limited drying income available. Like Wilder, the Sherburn facility was emptied out in December and has been closed since that time. We've decided to put the Sherburn elevator up for sale, also. We're working on ways to accommodate the current Sherburn customers with on-farm pick-up, faster receiving capacity and additional storage at Trimont, just seven miles away.

## **Lake Crystal Grain**

If anyone has driven past Lake Crystal on Hwy 60 recently, you'll have noticed that the skyline has changed dramatically where the old wood and steel grain complex used to be. The steel bins (including two 200,000-bushel Titans and five 50,000-bushel Stormors), wood house and annex (originally built in 1959) have been torn down and hauled away. These facilities were damaged in a storm last August and were just not worth the million-plus dollars of investment required to put them back into service. Much like Sherburn, this was an old, worn out, slow and smaller capacity elevator. Many of our customers have already taken their business to our Madelia elevator, just ten miles down the road. Please note: we are NOT tearing down the concrete silos in Lake Crystal. We will utilize that facility on a seasonal fall basis for soybeans and dry corn.

## **Okabena Agronomy**

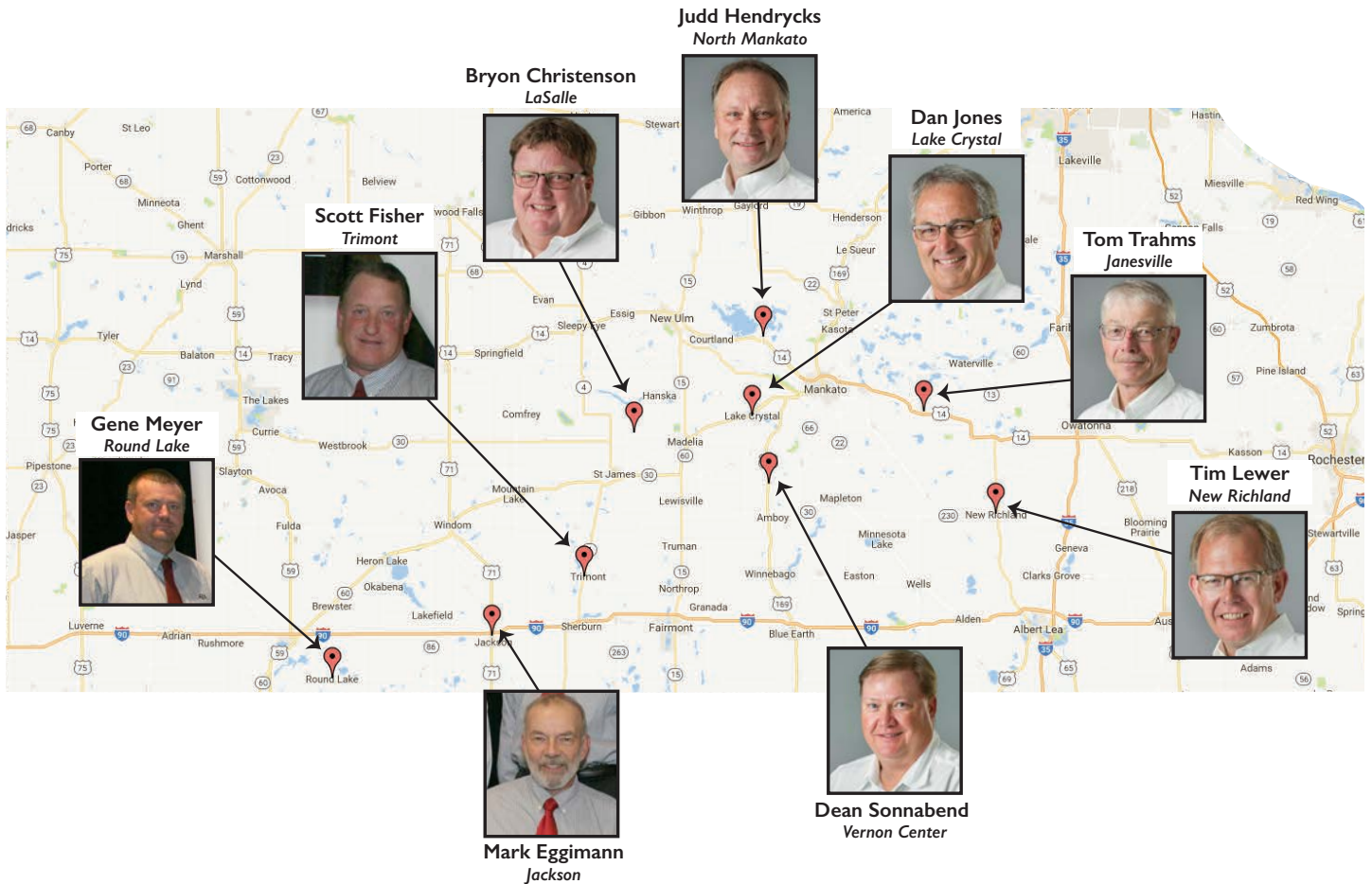
Upon recommendation by Agronomy managers Todd Kludt and Dale Botten, the boards approved a proposal for closing the Okabena agronomy facilities and handling the business operations out of Lakefield. There are only a few hundred tons of fertilizer sold through Okabena annually and the dry plant has primarily been used by FCA as overflow storage for urea. Again, this facility is old, worn out and not worth the reinvestment required to modernize it. For this spring we plan to use the anhydrous ammonia plant for supplying our own NH<sub>3</sub> custom application rigs. We will continue to pull product from the bulk propane storage plant and the Okabena Cardrol site will remain in operation.

## **Equity Revolvement**

As stated in the Plan of Merger, if the merger was approved, the new organization would get FCA equity holders "caught up" to Crystal Valley in terms of equity revolvement. Therefore, in March we will be paying out FCA patrons' deferred equity from the years 2000, 2001 and 50% of 2002, which amounts to over a million dollars. Annual equity revolvement for Crystal Valley will then take place in August as we have normally done.

**Welcome to all FCA members and patrons! We look forward to working together as a board to create a stronger cooperative to serve our customers. Thank you!**

# Crystal Valley Board of Directors



## Mark Christenson Retirement

**When did you start?** I was elected to the LaSalle Farmers Grain Board of Directors during their 80th Annual Meeting in December, 1999.

**What was the state of the cooperative when you started?** LaSalle Farmers Grain had sales of \$55,000,000. David Peters was the general manager. I was on the “licensed vehicles” committee that would get bids for pickups. We were beginning a financial study with Sleepy Eye Farmers Elevator.

**Fondest Memory?** Larry Blaufuss got me involved in Land O’Lakes by inviting me to their governance meetings. I was able to serve on their Corporate Board for four years.

**What did you enjoy most about your job?** Seeing the results in Crystal Valley’s remarkable facilities and services that have come about by working together as directors, management and staff.

**Is there anything else you would like to add?** I want to thank you for your trust in allowing me to represent you. Crystal Valley’s continued success depends on your involvement in our governance.

Land O’Lakes and CHS both have new leader development training in conjunction with their annual meetings. I would encourage patrons with an interest in coop leadership to be sponsored by Crystal Valley.





## Manager's Report

**Roger Kienholz**, *General Manager*

Chairman Jones did a good job of outlining what the board has been working on and describing a lot of the decisions that have been made over the last few months. I think the directors are looking forward to spring's work so they can get out of all these meetings!

Although most of our managers are quite familiar to Crystal Valley members, I'd like to take some space here to introduce the Senior Leadership Team.



**Dale Botten**, *Agronomy*

Dale Botten grew up on a farm east of Hanska MN. He graduated from the University of Minnesota with a degree in Ag Business Management. Shortly after graduation Dale started his career in agriculture in 1976 with Midland Coop as Agronomy Manager in Easton, MN. Then in 1983 Dale became Agronomy Division Manager for Crystal Valley and has served in that role for the last 34 years.



**Bruce Lauver**, *Energy*

Bruce grew up in Council Bluffs, IA and attended Iowa Western Community College where he earned degrees in Business Administration and Computer Science. He joined his family's petroleum business in 1975 and later purchased it in 1989. After selling the business 2003, Bruce joined Farm Service Cooperative in Council Bluffs as Energy Department Manager. Since then he has worked for two other Iowa cooperatives until July, 2016 when he joined Crystal Valley as the Energy Division Manager. Bruce brings more than 40 years experience in the energy business to Crystal Valley.



**Bob Raue**, *Feed*

Bob Raue was born and raised in Nebraska where he graduated from Kearney State College, Kearney, NE, with a BS in Comprehensive Business. After college, Bob taught high school before becoming a District Sales Manager for Ralston Purina Company. After eleven years with Ralston Purina, Bob became vice-president and sales manager for an independent feed and farm supply business in Carroll, IA, which he managed for the next 28 years. In 2013, Bob joined Crystal Valley as the Feed Division Manager bringing his 40+ years of experience in the feed industry to serve the livestock producers.



**Jeff Spence**, *Grain*

Jeff Spence grew up on a farm near Vernon Center and shortly after high school started working for Harvest States/GTA in agronomy. In 1982, he became Manager of the grain elevator and the agronomy plant in Vernon Center. For the next 21 years, Jeff was a General Manager at many locations in the upper midwest for both CHS and other local cooperatives. In 2003, Jeff joined the Peace Corp and spent three and a half years serving rural communities in Romania. In the spring of 2007, Jeff joined Crystal Valley as the Grain Division Manager bringing his 35+ years in the grain industry to serve grain farmers.



**Todd Wihlm, *Finance & Administration***

Todd was born and raised outside of Madelia, MN. He graduated from Mankato State University in 1998 with a Bachelor of Science degree in Finance with minors in accounting and economics. Todd began his cooperative accounting career with LaSalle Farmers Grain Company in 1998 as an Administrative Assistant. He became the Controller for LaSalle Farmers Grain in 2001 and has continued in this role with Crystal Valley since the merger in 2006.



**Jon Langland, *Information Technology***

Jon was born and raised in Mountain Lake, MN. He graduated from South Central College in North Mankato in 2003. Jon supported the IT needs of other cooperatives in the area before joining the Crystal Valley team in 2004 as its first in-house IT Support Specialist. He then transitioned into the IT Director position in 2010 as Crystal Valley continued to embrace technology as an integral part of the cooperative's success. Since that time, Jon has expanded the company's technology capabilities by building a six-person team of software developers and systems support personnel.



**Ashley Leivermann, *Human Resources***

Ashley grew up in Waconia, MN. She graduated from St. Cloud State University with a Bachelor of Science degree in Human Resources Management. With ten years of experience in Human Resources, Ashley joined Crystal Valley in 2011 as the company's first Human Resources Director and was tasked with implementing human resource management strategies that enable Crystal Valley to recruit, train and retain top talent. She specializes in talent management, staffing, employee benefits, employee relations, and employee training and development.

Of the FCA senior staff members, Jeremy Ebeling is taking on the role of Feed Sales out of Jackson; Todd Kludt is assuming an Agronomy Operations lead role in Jackson; and Ann Lesch will be in a Lead Accounting position, also based out of Jackson. Former FCA senior staff members – Aric Gordon (Grain Manager), Roger Baschke (Energy Manager), and Naomi Pederson (HR/Safety Manager) – are no longer with the company.

For FCA patrons, your statements for February's business will still be the same as what you're accustomed to seeing. The statements you receive in April for March's business will appear in a different format, as Crystal Valley operates on another accounting software package.

As discussed in our merger informational meetings, we've been moving quickly through a number of policy, people, practice and process issues over the last three months. We've made great strides in equipment, vehicle and facility re-identification throughout the FCA Co-op locations. We've been making several employee and position changes as we're working to get the right people into the right seats. Training everyone on our new software can be challenging as we try to maintain our focus on customer service.

Thank you all for your patience as we work through these growing pains. As we often say, "Sometimes things have to get worse before they get better", but, don't worry, we'll get there. I have every confidence of that. Spring is now fast approaching after the unusually mild weather we've experienced through much of February. We wish you a timely and swift spring planting season and we'll be there to help wherever we can. Thank you!



## Agronomy Report

Dale Botten, *Agronomy Division Manager*

### Preparing for Another Growing Season

I would like to welcome FCA customers and staff to Crystal Valley. We look forward to working together providing the best products and services you expect in your farming operation. Our team has been planning together with FCA staff this winter to prepare for the busy spring and summer application season. Updates to equipment are underway to serve you for years to come.

With spring just around the corner, preparations are underway for the busy planting season. There is anticipation for the need for additional custom-applied acres this spring due to customers holding off on fertilizer applications last fall. In preparation for the 2017 season, equipment updates have been made to the following: two row-crop sprayers, six 18-ton dry tenders, four liquid transport trailers, three seed tenders, nine semi-tractors, 12 pickups, a skid steer loader and the addition of one 28-ton dry fertilizer tender trailer. The older part of the Jackson dry plant has been updated with a dry fertilizer receiving leg and cross conveyor. We have also leased three dry flotation spreaders, one row-crop sprayer and a high clearance dry fertilizer unit to side-dress urea.

Our operations staff has been busy servicing and maintaining agronomy facilities and equipment this winter. I would like to thank them for doing a great job of maintaining our agronomy equipment, while helping out when necessary at other agronomy locations.

Fertilizer prices have moved up from last fall resulting from fertilizer producers slowing, delaying or shutting down fertilizer production. This reduced the world supply. CF Industries expanded nitrogen production at Sioux City, Iowa. They were supposed to be up and running starting in December producing 110,000 ton of urea each month. CF ran into startup issues and is not completely on-line producing at full capacity. Coming into spring, logistics will play a bigger part in determining price and availability of fertilizer. There have been fertilizer brokers and retail dealers not willing to take on long fertilizer positions due to farmers delaying purchasing decisions. It is very unlikely that fertilizer prices will soften before spring. Prepaying for your inputs will be your best hedge on increased costs going into the growing season.

As we move into another crop production year, Crystal Valley is focused on offering products and services that increase farmer's per-acre-profitability. Our agronomists and precision ag staff have been working together to provide your precision ag and Precision Planting® needs. It is not too late to line up your precision ag and Precision Planting® needs for spring. Nor, is it too early to line up your soil sampling needs for this fall application season. Check with your Crystal Valley agronomist for your herbicide, seed, fertilizer, custom-application and precision needs.

**Your agronomy division looks forward to serving you in 2017!**

**THINK,  
WORK,  
LIVE**

**READY 4 MORE**

**OUTSIDE  
THE BAG**

#ready4more

**Crystal Valley**  
www.crystalvalley.coop

**PRODUCERS**  
Hybrids



## **Agronomy Update**

**Matt Schoper**, *Agronomy Sales Manager*

### **Spring Checklist**

We are still experiencing the winter's chill. However, we are only a month and a half until the first planters are in the fields again. With limited snowfall on the ground, one could make an argument it may be one of those springs that allows us to get some fertilizer spread in March. Each year I like to reflect on what necessities to think about and address prior to spring planting. This year is no exception. It's important to work through a checklist to ensure the spring planting season runs smoothly for your operation.

#### **Call Ben Youngerberg at 507-420-9251 (Crystal Valley Precision Planting®) to discuss the following:**

- » Getting your meters tested. This is critically important, but often overlooked. Why go into the planting season with your meters not putting the seed in the ground as expected? It shocks many to find out what your meter performance really looks like.
- » Having a planter inspection completed. This is an on-farm inspection of your planter by trained professionals giving you a report of whether or not your planter is field-ready. Again, please don't overlook the need for your planter to be at top performance this spring.
- » For those wanting to do planter upgrades, it is not too late for some additional work to be completed whether it is at your farm or in our Precision Planting® shop.

Contact one of our Precision Ag Specialists: Jason Leary (507-720-1705) or Cory Engen (507-514-0833), to schedule an appointment to complete your planter prescriptions. In the past five years this service continues to grow. Please don't wait until the end of March to schedule your meeting.

#### **Schedule an appointment with your agronomist to review the following:**

- » Crop Plan: Ensure your planting intentions are where they need to be as we have tracking mechanisms in our planning software indicating crop and herbicide tolerances to make proper applications.
- » Seed: Do you have all your seed needs taken care of for the spring season? If not, we can help you find a hybrid or variety that will perform best for the field. This discussion should also include going through your fields to verify the best product is in place to maximize your yield.
- » Crop Protection: If you haven't already prepaid for your chemical needs, it's not too late to take advantage of some discounts prior to spring. It is also good to review by field who is spraying what and what is being sprayed. Don't forget to layer your residuals for season long control of those hard to kill weeds.
- » Fertilizer: It's not too late to prepay to secure discounts. It is important that you review your plan with your agronomist to assure the proper fertilizer levels are applied. If you don't have plant food available, the crop will not produce.
- » Get your summer soil sampling on order now versus later. It's a great time to think about the 2018 crop year as well. Getting your soil samples completed in the summer instead of next fall allows both you and your agronomist more time to build a fertility plan going into the next cropping year.

Keep in mind, these are essential items that will help this spring go smoothly as it relates to working with Crystal Valley Agronomy. I am sure your list of to-dos will grow. We look forward to assisting you with your needs and helping you maximize your profit-per-acre and yield potential this season!

**Thank you for your business!**



## Grain Report

Jeff Spence, *Grain Division Manager*

### Current Grain Division Happenings

The markets have been trading mostly sideways in the last month or two. I am worried this trend will continue. We have important dates coming up to watch. Planting intentions will be coming out on March 31. All eyes will be on that report. There has been a lot of speculation of corn acres dropping due to an increase in bean acres. I have seen guesses of three to five million acres switching from corn to beans.

We could also see acres of wheat switching to beans. The price of wheat is even worse than corn in relationship to making a profit-per-acre. I keep hearing that most farmers need around \$4.00 per bushel of corn to break even. We are a long way from getting that price. I am worried if we switch corn and wheat acres, we could be looking at beans going down to \$8.00 or less-per-bushel next year. Make sure you have a marketing plan in place for your new crop beans for next year just in case we see a large shift to bean acres.

The merger with FCA has resulted in changes for both FCA and Crystal Valley employees. We have spent much of our time making sure we have all our grain positions filled with the best people for their roles.

Our Board of Directors has also spent a lot of time working with us to make some hard decisions. We have decided to close and sell the Wilder and Sherburn elevators. To help with farmers in the Sherburn area, we will increase both our receiving speed and storage capacity in Trimont.

A new 730,000 bushel grain bin and a new 20,000 bushel-per-hour receiving leg and pit along with two new 12 ft. by 80 ft. scales for inbound and outbound grain, are to be constructed before harvest. The grain dryer and wet and dry legs from Lake Crystal will be moved and setup in Trimont this summer.

A grain probe will be installed in Lakefield along with new grain testing equipment to be purchased before harvest. We will also try to help farmers in both the Sherburn and Wilder area with on-farm pickup whenever possible.

We have conducted farmer round-table meetings at FCA locations. This provided a time to listen to their customer needs and concerns. Unfortunately, we cannot economically accommodate all of the customer requests. However, we are working to come up with alternatives.

We have finished demolishing the wood elevator and grain bins that were damaged last summer in Lake Crystal. We will be taking both beans and dry corn at the Lake Crystal concrete elevator this fall.

We are purchasing three semi-tractors to upgrade older semi-tractors in Jackson that have over one million miles on them.

We are currently offering free Delayed-Pricing for both corn and beans at all of our locations. There will be no storage charges on any grain brought in at this time. However, the grain must be priced on or before September 29, 2017.

We also have many over-the-counter (OTC) type contracting alternatives that may interest some of you for a percentage of this year's crop production. Our grain marketers will be happy to explain how our programs work. They can suggest some ideas for setting up marketing plans. In most cases any plan is better than no plan.

**Feel free to contact any of our grain marketers to assist you with your grain marketing needs.**

Madelia Office .....*Ryan Brandts*, 507-380-9959

Trimont Office .....*Bob Bloomgren*, 507-639-2031

Jackson Office .....*Megan Tusa*, 507-840-0735

Hope Office .....*Jim Johnson*, 507-676-6676 or *Joe Williams*, 507-676-0041





## Grain Marketing

Ryan Brandts, *Grain Marketer*

### Marketing Your Grain This Spring

After a cold start to winter including range-bound markets, the temps and markets have started to heat up as we moved into February. We are currently seeing the highest CBOT corn prices we have seen in over seven months! Even though we are trading at the top end of the range, we are still trading at values with the wider than normal basis levels where it's hard to pencil a profit in most operations.



**Jim Johnson**  
*Grain Marketer*



**Megan Tusa**  
*Grain Marketer*

The USDA released their February WASDE report. Bean carry-out remained the same at 420 million bushels. Corn decreased carry-out 35 million bushels to 2.32 billion. They increased corn demand by 25 million bushels as ethanol producers had a good first quarter of the crop year while also increasing FSI 10 million. We will need to continue our robust demand to keep prices moving up. Any inclination of growing another big crop domestically will more than likely send prices lower as our carry-out would continue to grow year over year. We believe there is still a lot of unpriced corn in the country.



**Joe Williams**  
*Grain Marketer*



**Bob Bloomgren**  
*Grain Marketer*

We have had many producers talk about their hopes for another late spring/early summer rally like we have seen the last two years. A lot of this will hinge on the South American production, U.S. acres, funds, continued strong demand and weather. With any weather threats to our domestic crop, we could see markets move fast. If it's like the last couple of years, and the weather threat goes away, the markets seem to decline quickly.

With new-crop bean futures trading towards the top end of the range, it is a great opportunity to lock in prices. Markets are a \$1.50 a bushel higher than they were a year ago today. With the potential for increased bean acres, we think it is a great time to make sales if you have not made any yet. New-crop corn sales have been quiet as many people are waiting to get started with CBOT prices having a \$4 in front.

In these tight margin environments, it is more important than ever to have a marketing plan in place. Locking in a profit when presented is imperative for the success of your operation. We would be more than happy to sit down with you and discuss our different programs, answer any of your marketing questions and help you put together a plan.

**We look forward to hearing from you and greatly appreciate your business!**

# Get Social With Us!



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



## Energy Reports

**Bruce Lauver**, *Energy Division Manager*

### Spring 2017 Energy Market Update

In today's volatile market, risk management can make or break your bottom line. We can help mitigate your price by becoming your fuel management company. During early December and January, we have seen OPEC control the markets. Crude oil markets have continually bounced around the \$52 - \$53 range. We are seeing early February markets pull back for a chance to purchase spring fuel at reasonable prices. This has allowed us the opportunity to begin filling bulk plants and customer tanks for an early spring fill. Now would be a great time to contact your local energy team to schedule a delivery or contract for your spring usage. To schedule a delivery, call (507)726-6455 or 800-622-2910 or call your Crystal Valley energy sales team below:

**Chad Larson**, *Energy Sales Lead*, 507-317-4488

**Tyler DePoppe**, *Energy Sales*, 507-720-1563

**Mike Scott**, *Energy Sales*, 507-995-6855

### Propane

As we move closer to the end of winter, we will see opportunities for contracting propane for the fall dryer and winter seasons. We are able to contract with our suppliers as far out as 18 months. Thinking about a new propane project or need help with your existing propane needs? We sell, install and service Roberts Gordon tube heaters, Modine unit heaters, Modine Hot Dawg garage heaters and LB White barn heaters. We stock most replacement parts for the heaters we sell. Our team consists of four highly-trained and experienced propane service technicians to help. Call (507) 726-6455 or 800-622-2910 and ask to speak to Jim Jung, Propane Operations Manager.

### Merger

The energy team along with your agronomy, grain and feed teams of Crystal Valley and FCA are diligently working on our infrastructure to ensure a smooth transition effective March 1. Our infrastructure is not only our facilities but the combined years of experience among our joined teams. As the two companies merge together, our long term commitments and investments to our future growth will build a long-term and lasting relationship with our customers. We are committed to serve our customers with our core products whenever and wherever you need them.

**We thank you for your loyal business. Every sale is appreciated.**

# BRING HOME THE BACON TEAM



The 10 team members who did the Climb 2 Feed Kids are front row (l-r): Jemie Tollefson, Ann Smith, Sheri Johnson, Faith Coonradt, back row (l-r): Jim Friedrichs, Jake Beckius, Ashley Leivermann, Bob Raue, Bill Coonradt, Dave Limoges

We raised \$1,480 for the Backpack Food Program. The efforts of the Crystal Valley team will aid the Lake Crystal School's Backpack Food Program. For more information on this program, visit: [www.feedingourcommunitiespartners.org/backpack-food-program.html](http://www.feedingourcommunitiespartners.org/backpack-food-program.html)



## Energy Update

**Chad Larson**, *Energy Sales Lead*

### Spring 2017 Energy Sales Update

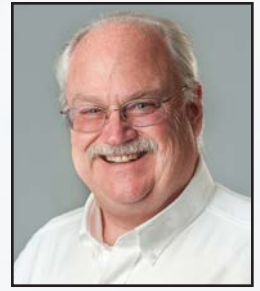
Your energy sales team has been hitting the ground running. We have been getting out and visiting our current customers and looking forward to creating and building new relationships as well. Mike Scott and I worked together in October and November in and around the Janesville area. We also hired Tyler DePoppe for the Nicollet area around Thanksgiving. Tyler is a much needed sales presence to better serve our customers in the Nicollet area. I continue getting acclimated in the Madelia office and training our up-and-coming sales force. Our emphasis on getting out in the country is a priority for us.

We want you, the patrons of Crystal Valley, to know you have a partner in us. Our highly-trained staff is here to be your resource for questions you have regarding the energy products and services we offer.

We pride ourselves on keeping up with today's markets, new products, programs and equipment technology. We want to be your one-stop-shop for all your energy needs.

Crystal Valley has a fleet of six refined fuel trucks, twelve LP trucks and a dedicated oil truck to serve any farm, commercial, fleet or construction account. It's important to not rely on an outside entity to handle our deliveries. Doing it ourselves we feel is the best way to serve you, our patrons.

Crystal Valley is very proud of our energy division. Our team members are dedicated, understand you and will always be here for you. Along with the people and equipment to meet your needs, we are truly a diversified cooperative - that's what sets us apart.

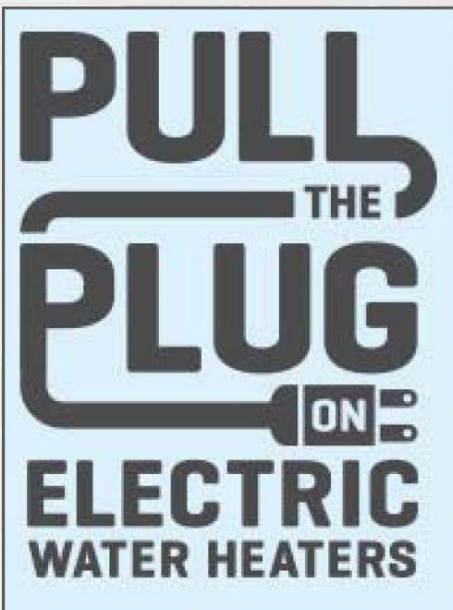


**Jim Jung**  
*Propane Operations Manager*



**Nathan Monroe**  
*Refined Fuels/  
Lubes Operations Manager*

**Thank you for your business!**



***Have you replaced any of the gas appliances in your home? If so we would like to hear from you. After an appliance replacement a total system leak check should be performed to insure all fittings and lines are leak free.***

***Crystal Valley performs these leak checks for free.***

***For details on rebates, leak checks or any of your energy service needs, call 507-726-6455 and ask for the LP service department.***



## Feed Report

**Bob Raue**, *Feed Division Manager*

### ***It's been a smooth transition to Veterinary Feed Directives (VFD's)***

The new Veterinary Feed Directive (VFD) rule has been in effect since January 1, 2017. We have encountered very few issues in the changes that were necessary with customers ordering medically-important feed antibiotics for their livestock. Usually, it was a matter of the veterinarian making a minor change in the VFD that was issued to the feed mill. We want to thank all of our customers for doing their part to make this transition as smooth as possible. Your Crystal Valley feed mills have contracted with GlobalVetLink, a web-based software solutions company that connects feed distributors with veterinarians and animal owners, to ease the stress of compliance and assist in the traceability of the VFD's data that will be stored.

### **Animal Well-Being & Food Safety**

Pork producers care deeply about the health and welfare of their animals. They have a moral obligation in providing for the well-being of their animals and raising them in a humane and compassionate manner. Healthy animals mean safe food for consumers. There is nothing more important than ensuring a safe, nutritious food supply. The pork industry adopted its We Care Program to demonstrate its commitment to responsible pork production.

Animal agriculture must continue to develop new methods to promote safe and humanely-produced products to meet the demands of foreign and domestic markets. The National Pork Production Council (NPPC) advocates for science-based approaches to swine health and production and opposes legislation that would dictate on-farm production practices.

Issues such as immigration, product labeling and federal funding of agricultural programs all impact pork producers' ability to build and sustain their operations. Pork producers support more than half a million jobs and generate more than \$34 billion of gross national product to the U.S. economy. Nationwide, more than 60,000 pork producers annually market more than 110 million hogs. The NPPC works closely with executive branch officials and federal lawmakers to advocate for pork producers everywhere. We advocate for science-based approaches to swine health and production. Learn more at [www.nppc.org](http://www.nppc.org)

### **Feed Mills Complete HACCP Certification Audit**

The Crystal Valley feed mills located in Janesville, LaSalle, and Vernon Center completed their annual audit of compliance with Hazard Analysis & Critical Control Points (HACCP) certification the week of February 6. Each certification audit consists of a full day spent at each feed mill with a third-party verifier and the management team of the feed mill. All three mills were found to be in compliance. We have also initiated the process to bring the Jackson Feed Mill into full HACCP certification. You can be assured that your Crystal Valley feed team is manufacturing your feed safely and accurately by following the food safety laws that are in place.



**Together... We Find The Way!**



Crop Risk Management is necessary as you begin planning for your 2017 input costs... **DO YOU HAVE THE COVERAGE YOU NEED?**

Ryan Feist 507-508-0206

AgQuest Insurance Agency is an equal opportunity provider.

# Three ways to pave a path to optimal swine nursery performance

Have you been looking for ways to save input costs on your wean-to-finish or grower/finisher operation? Before you start cutting, take a hard look at how well you are managing transitions. You might find a low-cost change in management could save more money than a cut to inputs in the long run.

Carefully managed transitions support optimal returns on investment, says Dan McManus, DVM, young animal swine specialist with Purina Animal Nutrition.

“Smooth transitions help pigs stay focused on intake and feed conversion for optimal gut health and overall performance,” McManus says. “If you manage the environment to limit transitional challenges, you can help your pigs build on their weaning weights for optimal end of nursery weights.”

Weaning weights and end-of-nursery weights are strong predictors of finishing weights, according to Purina Animal Nutrition Center research. In an 18-month Study involving 1,770 pigs, results indicated each additional pound at weaning was correlated to an increase of 1.8 pounds at Day 32. Each additional pound at Day 32 post-weaning correlation to 2.1 additional pounds at finishing Day 110.

Here are three areas to evaluate to help pigs build on their weaning and end-of-nursery weights through optimal transition management:

## 1. Know what your pigs need before arrival


The more accurate information you can get from the source farm, the better care you can give your pigs when they arrive. Be sure to confirm the exact number of head and arrival dates, the ages and weights of the pigs and the percentage of health-challenged pigs. Good communication with the sow farm will allow you to be prepared and anticipate any issues that might come up in the first few weeks after weaning.

“The more you know about the way the source farm operates, the better job you can do minimizing changes for the pigs,” McManus says. “Every change you eliminate is one less hurdle for them to jump.”

## 2. Minimize stress with a spotless environment

One simple, low-cost way to promote healthy pigs is to be diligent when cleaning before new groups arrive, McManus says. Clean your barn top to bottom, inside and out. This includes cleaning slats, feeders, gating, inlets, fans and curtains, as well as office equipment, boots, rattle paddles and sorting panels. All surfaces should be disinfected and dried before new pigs arrive. Consider inspecting the facility when cleaning is finished to make sure it meets your expectations.

“Thorough cleaning and management of the environment will help reduce stress factors including disease risk,” McManus says. “This helps give arriving pigs the opportunity to perform their best, avoiding potential performance lags,” he explains.

 <b>Recommended Stocking Densities</b>	
<b>WEIGHT</b>	<b>SPACE</b>
Wean to 50 lbs	2.8 sq. ft. per pig
Wean to 75 lbs	3.6 sq. ft. per pig
75-265 lbs	7.3 sq. ft. per pig
> 265 lbs	8.5 sq. ft. per pig

## 3. Manage each pig's needs

“Have a plan in place to stock your pens,” McManus says. “Then be ready to be flexible. When the pigs come off the truck, they might not fit exactly into the plan you created. A well thought out plan that you can adapt when challenges come up will help you be ready for success in any situation.”

You can expect 10 percent of the delivered pigs to be smaller than desirable. Plan ahead to manage these pigs differently. Separating small pigs from the main population will allow you to feed and manage to their needs to help perform their best.

Communicating with the source farm, thoroughly cleaning the barn and developing a well thought out stocking plan can be effective tools to help provide a smooth nursery transition. By managing the environment, you are helping pigs to maintain and build on their weaning weights to reach their optimal weights at end-of-nursery. The more you can remove obstacles for your pigs, the smoother transition they will have, and the better return you can get on your input investment.



## Credit Report

Gary Hulke, *Credit Manager*

### The Five C's of Credit

The Five C's of Credit. You may wonder what information we use when we establish new accounts or when updated information is needed from existing accounts. The basics of credit revolve around what is known as the "Five C's of Credit." These five C's are character, capacity, capital, collateral, and conditions. Further explanation will help clarify them even though some of these terms are self-explanatory.

**Character** refers to the overall integrity of the applicant. Moral and/or ethical strength and truthfulness are examples of desired characteristics.

**Capacity** directs us to the ability to pay. In other words, there needs to be sufficient cash flow to service the obligation.

**Capital** refers to the net worth of the customer. The underlying question would be, is there sufficient net worth to service the obligation even under severe economic conditions?

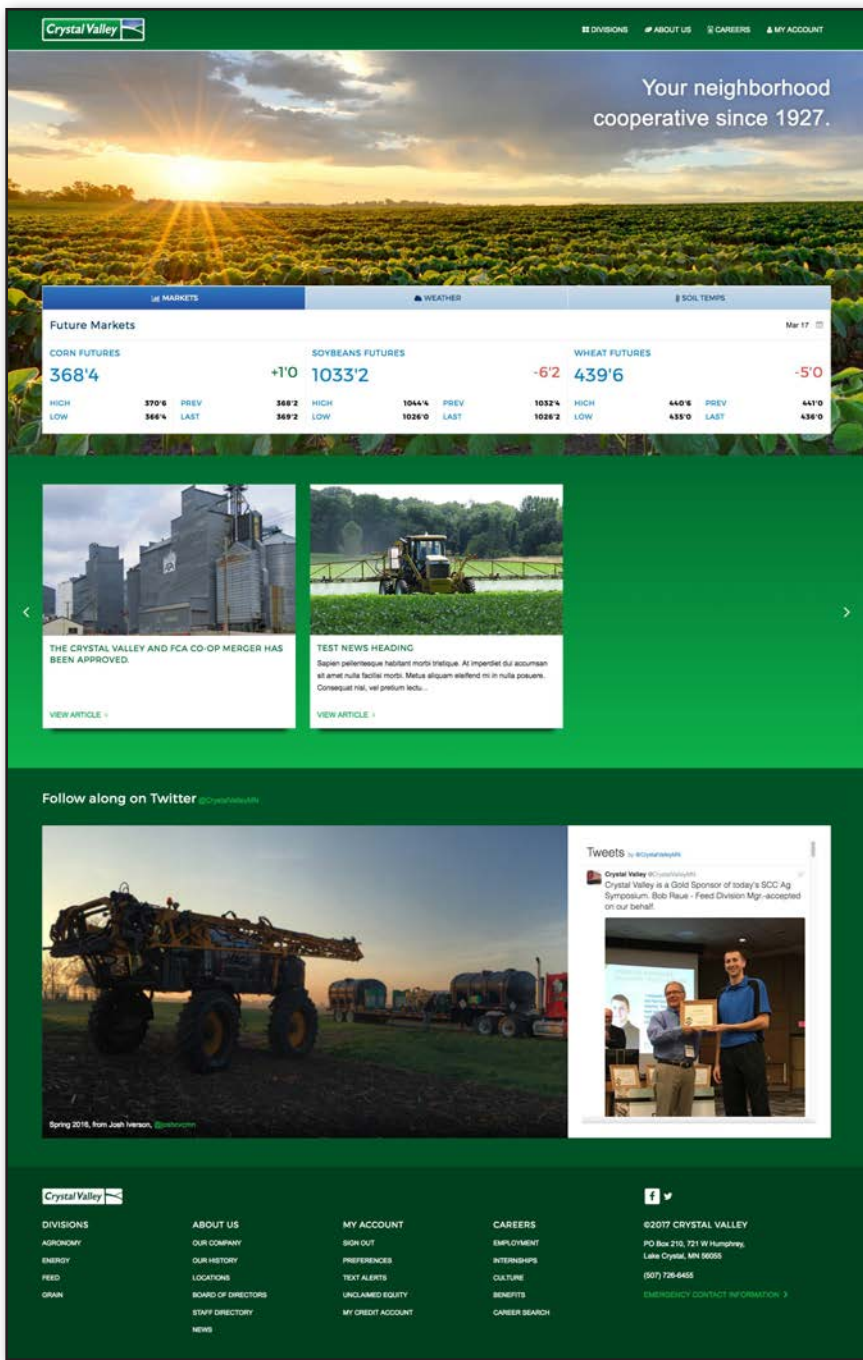
**Collateral** is the asset or assets needed to secure the debt. Crystal Valley is usually an unsecured creditor, but we may refer you to a collateralized loan through a lender such as AgQuest or secure a lien directly.

**Conditions** address the current situation involving the economy of our industry and individual circumstances applicable to the customer.

When the "Five C's of Credit" are favorable, the customer receives the products and services desired to help make profitable decisions, and Crystal Valley receives payment for those products and services before the due date. The customer and Crystal Valley benefit from a mutually strong relationship involving the "Five C's of Credit."

*As a result of extensive storm damage that took place in August of 2016, the grain elevator in Lake Crystal was torn down this past month. The elevator was built in 1959 and has held a prominent part of Lake Crystal's skyline. Thank you to all of our dedicated growers who played a part in making this a successful facility and an integral part of who we are today.*





# Your Crystal Valley website is getting a brand new look!

In an effort to remain customer and mobile-friendly we did a website makeover.

If you have any navigational questions, feel free to give us a call!

The site is set to launch early March 2017.

The photo to the left is a small preview of the home page.

[www.crystalvalley.coop](http://www.crystalvalley.coop)



## INGREDIENTS:

- » 1½ cups crushed pretzels
- » 4½ Tbsp white sugar
- » ¾ c. butter, *melted*
- » 1 c. white sugar
- » 2 (8oz) packages cream cheese
- » 1 (8oz) whipped topping, *thawed*
- » 1 (6oz) package strawberry Jell-O
- » 2 c. boiling water
- » 1 (16oz) package frozen strawberries

**Prep:** 15 Min **Cook:** 10 Min **Ready:** 2 Hr.

**NAME:** Judy's Strawberry Pretzel Salad

## DIRECTIONS:

1. Preheat oven to 350° F. Mix together the pretzels, 4½ tbsp sugar and melted butter. Press into the bottom of a 9x13 inch pan. Bake for 10 minutes. Set aside to cool completely.
2. Beat the sugar and cream cheese until smooth. Fold in whipped topping. Spread evenly over the cooled crust. Refrigerate until set, about 30 minutes.
3. Stir together the Jell-o mix and boiling water. Mix in frozen strawberries, and stir until thawed. Pour over cream cheese mixture in pan. Refrigerate until completely chilled, at least 1 hour.



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