

# NEWSLETTER

Return Service Requested

## SUMMER 2008

### Manager's notes

*By Gaylord Sanneman,  
General Manager*

In the month of January, your board of directors and staff met to assess and plan for the future of your cooperative. Among the topics discussed was the need for an on-the-farm representative from the cooperative. The primary focus of this position will be to promote the benefits of doing business with your cooperative. In addition, there will be the promotion of all the products and services that we offer.

At the monthly board of directors meeting in May, I announced to the board that a reorganization of personnel had been accomplished. This reorganization has the full support of all department managers and Ron Issenberg, who has accepted this new challenging position in addition to his branch management duties. I am extremely excited about this new service that your cooperative offers. Coupled with the historical cooperative sales expertise of Ron, this will be a major win for not only you, our patrons/customers, but for your cooperative as well.

Another area of excitement for me is the addition that your cooperative will be offering in the near future. That is computer/internet access to individual Co-op charge accounts and

grain accounts. Dawn Freeman, your new office manager/controller, will be responsible for getting you set up with this new service which, hopefully, will be in operation by the first of July 2008. If you would like to be able to access your accounts, please give Dawn a call and she will add your name to the list. You will be contacted as this service becomes available so you can have access to your accounts 24/7.

### Protection of assets

One of the responsibilities that each employee and the manager of the cooperative is charged with is the protection of company assets. This responsibility ranges from the daily routine of accounting for cash handled to the more complex issues of risk management of inventory.

Risk management of inventory has always been an important factor but due to the uncertainties of market factors and the higher level of inventory value, it has required us to be more responsive to the current economic environment in which we are currently operating.

One of the practices that we have altered is the pricing of grain, especially at harvest time. We will continue to purchase grain at harvest time, but an exact quantity of grain must be established before an actual price commitment is confirmed. We continue to be very wary of offering new-crop

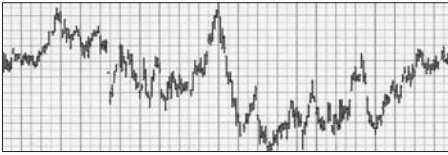
contracts. In addition, we have been advised by our financial lender to limit our hedge margin exposure as much as possible. Therefore, we continue to offer new-crop contracts only for the next crop season.

The dilemma we face is that our competition is unwilling at this time to make the necessary margin adjustments needed in order to safely and profitably handle any contracts outside of the current crop year.

*Continued on page 3*



*Beverly Archer congratulates Jeffrey Goff of Satanta on purchasing the first Lifan scooter that Sublette Co-op is now selling. This model is rated at 90mpg and less than 50 CC. No motorcycle license is needed.*



## Notes from the Grain Pit

By Lawrence Baxa

Hello everyone! Welcome to this installment of the grain market guessing game. It is brought to you by the latest and most reliable fundamentals news and their counterparts, the fund traders. It is these two items that drive the market. On one hand, you have the acres, yield potential, feed use, export use, and the ethanol use. These are actual numbers that are tied to production and demand. On the other hand you have the spec funds that tie it together with crude oil, the dollar, or some other market factor that will create value by selling or buying one commodity item vs. another, whatever the case might be. Basically, if you have a computer, you can get on line and trade grain with the index funds. These things are what keep the market hopping and have made things so volatile. It is for these reasons that we have changed our grain buying practices. Some days, we have 30 to 40 cents a bushel swings in price; so, we are making changes to help manage our, and your, price risk.

### Wheat market:

By the time you are reading this wheat harvest may be completed or at least nearing completion, so I will try to give you a quick overview of the markets. Starting with the wheat market: Last year we saw a tremendous runup in price due to a poor world crop. This year, however, they are expecting a rebound of the world wheat supply situation and a good rebuilding of wheat stocks. Our own Kansas crop is expected to be significantly better statewide this year. These factors will maybe see a return to more traditional wheat price action from harvest pressure to a late fall rally.

### Corn market:

Corn remains an interesting one to call. There are many opinions out there on what the corn market will do. One thought remains the same; it will take a perfect growing season to produce the kind of crop we need to supply our current demand for feed, ethanol, and exports. So until the crop is closer to being mature, look for continued price volatility and things to stay somewhere in the price range that we are in now. That in turn will lend some strength to the wheat market as the corn and wheat spread has a very close relationship with regards to feed use.

### Looking at the other crops:

I don't see much happening in the milo pits right now. All we have is some local demand but not much at that. Soybeans may present some interesting opportunities but that will come later in the summer. Sunflowers, as a double crop option, are of a good value right now — at some of the highest price levels ever. If you are thinking about growing sunflowers, give us a call to make sure we can contract at these good price levels to lock in profits.

As the growing season unfolds, we will continue to review our grain

## They're here —



49CC and 150CC scooters manufactured by ChinaOffroad products. For the small model 49CC, the "Lifan," no motorcycle license is needed, just a

valid driver's license and eye protection. A motorcycle tag is required for all models. The larger model, The "Xingyue" 150 CC, scooter does require a motorcycle license and eye protection. At 70 and 90 mpg, these units offer tremendous savings at the pump and ease of operation making these a must for summer jaunts across town.

I'll close for now. As always, if you have any questions, be sure to give us a call so we can answer them. We look forward to being your grain delivery point this coming crop year. We are locally owned by you, our members. We strive to conduct our business to benefit you, our customer, our local community, and all those involved. Working hand in hand, in the spirit of cooperation, thanks again. **We appreciate your business.**

Remember the commercial jingle, "It's so easy a cave man can do it." Well, I won't say that but even our own Glenda from the grain office really enjoys her new ride to work. Way to go, Glenda!!! Come in and choose your's today!

that but even our own Glenda from the grain office really enjoys her new ride to work. Way to go, Glenda!!! Come in and choose your's today!



## Crop production notes

By *Kent Ochs*

Red rover, red rover, send Ron right over. O.K., that was corny but, yes, you will see Ron Isenberg a lot more than ever before. For some of you it could be for the first time.

Ron is the N.E. Branch manager. After dialog with the board and the department managers, we have decided to make an attempt at “on-the-farm”

sales calls. The decision was made to get someone in-house with experience and time. So, Ron was the overwhelming candidate. He will be making farm calls a couple of days a week. From fertilizer, chemicals, to tires, fuel, and grain storage, Ron will cover basically everything the Sublette Co-op has to offer. This is really our first attempt at

## Late season nitrogen application in soybeans

By *Mark D. Horinek*

When trying to maximize yield, some studies have proven that late season nitrogen applications have been very beneficial. Work done at Kansas State University by R.E. Lamond, T. Wesley, D.A. Whitney, V.L. Martin, and S.R. Duncan has proven that when nitrogen (N) in the R-3 growth stage (pods  $\frac{1}{4}$  to  $\frac{1}{2}$  inch long) can significantly improve yield.

The procedure of the study was to apply N at 0, 20, 40 lb/acre of UAN, urea, ammonium nitrate. The UAN was applied in 40-gallon/acre total volume and the dry N were applied broadcast. Average to excellent yields were obtained in the years 1995, 1996 and 1997. There was noticeable leaf burn with the UAN treatments, particularly at the 40-pound per acre rate. This probably reduced yield potential but the plants recovered nicely. There

was a better-than-average response to the N treatment on at least half of the sites studied. If you have any questions about the data obtained, please come in and I will be glad to show it to you.

I know that in the past years we have not had to worry a whole lot about soybean diseases, but with the upswing of total soybean acres Mother Nature always seems to have some sort of plant disease that will attack when the conditions are right. So please be on the lookout for something that does not seem quite right.

The same is true for the corn that you have planted. There were quite a lot of plant diseases present during last year's growing season that affected yields at harvest time. It looks like the year might have the potential for plant diseases like there were last year.

this kind of venture so be patient with us, and Ron, until we get the kinks worked out.

One of our goals is to take the Sublette Co-op message to the country without being a pest. I know some of you are not salesmen friendly, but Ron has the knack of getting to the point and getting out. Hit him up for a rain gauge. That's one of those contraptions that catch water from the sky, or ask him for a hat. Rumor is that sometimes he will have cinnamon rolls also.

The enclosed picture is of our 2000 International semi tractor. We purchased this to pull the new dry tender trailer we recently acquired. I'll enclose pictures for the trailer in the next newsletter.

That is about all I'm going to cover for now since you are all busy. I'll get down to nuts and bolts for late summer, early fall programs next time. Please come in anytime or quiz Ron if we can do anything to help you.

Thank you and have a safe harvest.

If we have the same amount of rain and cloud cover, the potential is there. Please be on the lookout for anything out of the ordinary.

Things will be busy from now until harvest. Please pay attention to those around you and be careful.

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### *Manager's notes* continued from page 1

One note of caution that I must interject at this point is to make certain that the company that you contract with, if you go outside of the Sublette Cooperative, has the financial resources needed to secure your contract on an ongoing basis. You can always be assured that the contracts you make with us will be secured because of the strong financial status your cooperative has built over the years.



# News from the Service Station

By Terry Presley

## Fuel prices —

What's a newsletter without talking about high fuel prices. Yes, they are high; yes, they hurt; and yes, they do make us pay more attention to supply and demand, future contracts, speculative positions, and U.S. and world consumption.

While watching C-Span on television the other night, a congressional committee was being enlightened by a diverse expert panel on the causes of high fuel prices. I have to admit, I too learned something from that distinguished panel; and nail it, they did. Without pulling any punches, they laid it out so the esteemed politicians could comprehend the situation. The test will be if our Congress can get their minds around it and put something together that protects the American consumer.

Meanwhile, back here in our world, we certainly have noticed an increase in E-85 sales as price spreads

between E-85 and unleaded and more vehicles on the road are Flexfuel. If you need more information on E-85, visit [www.E-85.com](http://www.E-85.com) for the latest vehicles available that are Flexfuel.

## Under construction —

Via the board of directors direction, a 60' X 120' building is being constructed just west of the Farm Supply to be used to park the company fleet out of the weather. Secondly, two new fuel dispensers with the latest electronics and consumer friendly key pads will be installed at the Station. These upgrades will certainly improve the ease of operations for Co-op fuel customers.

Our regional cooperative, CHS, is scheduled to replace the awning graphics at the Station in the next eighteen months. These Cenex Logo updates will occur at all Cenex branded locations. New pumps and a new look will certainly make our location more appealing to the traveling consumers. I know when I travel, I too look for that clean, well lighted, attractive facility to pull my rig into and evidently it's important to you as well. Our staff receives many comments from the traveling public about how clean and neat our store is. So it does make a difference, not only to you but to us as well.

# NE Branch news

By Ron Isenberg

Hello from the NE Branch! Well it's nice to finally receive some rainfall. Amounts range from .90 to 1½ inches in the NE Branch area.

I have been asked to be a fieldman for the Sublette Co-op so I will be traveling on Tuesdays and Thursdays. The area is somewhat large and I have not made it around to everyone yet but I will be trying to meet everyone as soon as I can for now. My name is Ron Isenberg and you can reach me at 668-5615 or my cell 271-2679.

At this time we are busy trying to get the corn sprayed and getting ready for milo. If we can help you in any way with your spraying needs, give us a call.

Wheat harvest is just about here. We would like to remind everyone to have a safe and very good harvest.

Again, thanks for your business. Let us know if we help you in any way.

—The staff at the Northwest Branch

## Mission Statement

To be a marketing and service-oriented cooperative organization dedicated to the long-term success of our patron/owners.

## Sublette Cooperative, Inc.

500 West La Lande, P.O. Box 340  
Sublette, KS 67877-0340

## Officers and Directors

Pete York ..... President  
Rex Brown ..... Vice President  
Rick Koehn..... Secretary  
Lynn Leonard..... Director  
Rusty Sherwood..... Director  
Chris King ..... Director  
Nicki McLain..... Associate Director  
Gaylord Sanneman ...General Manager



Aaron Brown with Sublette Co-op's new 2007 Freightliner 4500-gal fuel truck featuring five compartments, dual pumps, and semi-automatic transmission.