

Farmers Co-op Elevator Co. Quarterly Newsletter

Fall 2025



PHOTO SUBMITTED BY NICOLE KOENEN - INCLUDED IN 2025 FCE CALENDAR

HAPPY FALL FROM FCE

A note from Board President, Adam Gorecki:

Hello everyone! Farmers Cooperative Elevator is pleased to announce that Lanny Kirsch has been hired as the CEO of FCE. Lanny has a great depth of knowledge working in cooperatives, especially in grain marketing, and we anticipate that his extensive experience in cooperative leadership will make him a valuable asset for FCE employees and patrons. We are excited about the leadership and strategic vision he brings to FCE! The Board of Directors are confident that Lanny's leadership will enhance our operational efficiency and strengthen ties within the communities we serve, while upholding the co-op's values and mission.

Additionally, FCE's employee team has been working incredibly hard to clean out all of our facilities and prepare them for harvest, and they have been doing a great job. We're all thankful for your support of the co-op, and we hope everyone has a safe and bountiful harvest this fall!

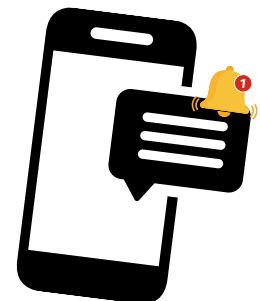
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YOU ASKED, WE ANSWERED.

FCE returned to sending daily market bids via text alerts! To sign up, please fill out the short form. The link to the form is on our website's homepage. Direct link: www.barchart.com/alerts-registration/3053/FCEHanleyFalls

Get signed up today to keep updated on daily markets & upcoming harvest hours!





A note from CEO, Lanny Kirsch



New management, new start to managing your co-op.

Change is in the air! Between the crops starting to turn and the weather cooling down, harvest is right around the corner. It looks like this crop is going to be better than this area has seen for a few years. Keep in mind that room could be an issue. With that said, the one thing that is constant is change. You will see changes in the way we do things at your co-op. There are changes that need to happen just to keep up with industry standards, including safety and efficiencies. There are changes due to the cost of doing business. Changes in personnel are continual; this industry has seen its share of personnel changes as well. It is very uncommon to see an employee stay at one place for their entire career. Here at FCE, we will see a long-time experienced guy retire - Steve Fry is planning to retire on November 1. He won't go very far; he will continue to be involved with selling seed for FCE. We wish him well in his next chapter in life. I'm sure his family will be tickled to have him in their lives more than he has been for the last 43 years!

On another note, employees have been working hard to get the facilities in shape for the long, grueling next couple of months. I acknowledge that we have a great crew in place at your service. Please join me in showing your appreciation toward those employees as harvest progresses. Remember, the harvest is longer than just one farmer. It starts with the first combine that runs to the last truck that parks.

As you are all aware, costs have skyrocketed over the past 5 years. Even though your co-op has not paid out patronage in the last few years, we are still financially sound. Our bank has expressed its confidence in FCE going forward. Those of you who have questions about Deferred contracts can feel confident that getting paid is a top priority, and you don't need to worry about the stability of your cooperative. Thank you for your support of FCE, and have a safe and prosperous harvest.

SIGN UP FOR ACH PAYMENTS

Did you know we offer ACH payments for grain checks? To sign up, go to the FCE website, click on the Grain tab, and then click on ACH Signup for Grain Settlements. From there you can download and print the ACH form, filling out your account information, preferences, and bank information. Be sure to attach a voided check and either return the form to any FCE location or mail to the Main Office — 1972 510th St. Hanley Falls, MN 56245. If you have any questions, please call Ashley Finnes at the Main Office at 507-768-3448 (ext. 1).

A note from Controller, Ashley Wendorff



I can't believe we are already gearing up for harvest! I want to wish you all a safe and bountiful harvest! FCE has been busy this summer doing maintenance to our facilities, making sure we are ready when the time comes. We look forward to seeing all of you!

Please be on the lookout for a letter coming soon (if not received already) in the mail for the 2024 DPAD/Section 199A(g) deduction. Keep that information for your 2025 tax records.

How the Section 199A(g) deduction works:

- **A tax deduction:** An eligible cooperative can deduct up to 9% of its QPAI.
- **Limited by wages:** The deduction is limited to 50% of the cooperative's W-2 wages that are directly related to the domestic production activity.
- **Passed on to patrons:** The cooperative can retain the deduction itself or pass it through to its patrons. If a patron receives a qualified payment from the cooperative, their own 199A deduction is reduced. This mechanism is designed to ensure the tax benefit goes to the farmers, consistent with the nature of a cooperative.

For any questions related to DPAD, please contact your tax professional.



FCE EMPLOYEE MEMORIAL SCHOLARSHIP

In Memory of Kathy Willson and Joe Fry

Do you know a 2026 senior who is a dependent of an active patron doing \$10,000.00 patronage yearly or an employee of FCE? Now is the time to encourage them to apply for the FCE Employee Memorial Scholarship! Three, \$500.00 scholarships will be awarded to graduating high school seniors pursuing a higher education in any field. Applications must be postmarked by January 15, 2026 and sent to the FCE Main Office at 1972 510th St. Hanley Falls, MN 56245. Visit our website at www.farmerscoopelevator.com/fcescholarship for more information and to download the application.

IMPORTANT DATES



FREE PRICE LATER

- **September 26** - Free Price Later pricing window ends; storage fees will be applied thereafter.



STEVE FRY'S COME & GO RETIREMENT PARTY

- **October 29** - Join us for coffee and cookies at the Hanley Falls Elevator to celebrate Steve's retirement from 1:00pm - 4:00pm.



DEFERRED PAYMENTS

- **December 12** - Last day we will mail a Deferred Payment contract; after 12/12, everything needs to be signed at the FCE Main Office or an elevator location.
- **December 23** - Last day to defer a contract.
 - All Deferred Payment contracts MUST be signed before you can receive your check in January.
 - We will not send your Deferred Payment check to another FCE location without your permission. Please call the FCE Main Office to let us know if you want to pick it up at another location.



FCE EMPLOYEE MEMORIAL SCHOLARSHIP

- **January 15** - Applications must be postmarked and sent to the FCE Main Office.

GRAIN

Grain Operations Report - Steve Fry, Operations Manager

We have been busy with maintenance across all of our elevators - performing basic oil changes on head drives and conveyors, as well as making sure dryers and vaporizers are ready for harvest. To recap what we've done at each location:

- **Echo:** Installed new gates.
- **Cottonwood:** Installed a new leg and new piping on the elevator side.
- **Hanley Falls:** The shed will be ready very soon, and we have tarps on hand to cover the grain piles.
- **Minneota:** Installed a new shaft and bearings.
- **MN Falls:** Installed a new pit gate, and the bunker is ready to fill up.
- **Montevideo:** Replaced the shipping leg.
- **Taunton:** Replaced leg belts on one leg.

Our grain team wishes you a safe harvest. We look forward to serving you at one of our elevator locations!

Laura Ruble – Grain Merchandiser



Fall is in the air and I think everybody is nearly ready for it! FCE is too, as we've been working hard vacuuming, sweeping and cleaning bins, making room for every kernel possible. We worked on different elevator projects this summer - replacing belts, cups and pipes in anticipation of this year's crop.

As we head into fall, there are a few **harvest policy changes** that we want to make patrons aware of:

- Drying for corn is at 7 cents a point. This will still be broken on the 1/10th.
- Any new Delayed Price contract expires on September 15th, 2026. Service charges (storage) need to be paid in full on or before expiration. If the contract holder does not notify the FCE Main Office by the end of the business day on September 15, 2026, this contract will be priced, and a check will be mailed. Rolling this contract into the next crop year's Delayed Price program will be considered if room and market conditions allow.
- Bushels on Delayed Price can't be applied to a forward contract. This change was made earlier this winter, but I want to make note of it as we head into harvest, since this change will be new for some patrons.

Free Price Later pricing window ends soon! If bushels hauled in this spring/summer are not priced by September 26, 2025, a storage fee of 12 cents/bushel on corn and 18 cents/bushel on beans will be applied to your Delayed Price contract, and normal storage rates will apply thereafter. If you are going to sell these bushels, you must let us know by 4:30pm that day.

There is a lot of discussion on soybean basis and the triple digits you are seeing on the bid screen. I'm sure most of you have also read or heard about elevators in surrounding states not taking Price Later beans or putting large storage fee minimums on new crop bushels. The short answer is that the lack of exports is causing a bottleneck of beans. Yes, there are new processor plants operating, but at the end of the day, they can only crush so much. I'm hoping that we are seeing the worst of it now, but truthfully, if we don't get a trade negotiation made, this will continue into the winter and spring months. Let's hope we get a trade deal done so we can start shipping beans on rail again. As always, give us a call if you have any questions or concerns. We hope you have a great and safe harvest!

Mark Schoenfeld - Grain Originator



Harvest is upon us as the cattle sector of agriculture begins to chop silage and earlage. This is usually the first time we get a real feel for what is out there in the field for yield values. There are certainly several factors influencing the markets as we head into the second busiest time of the year. Below are bullet points on the market drivers today.

CORN



- **Bulls**

- Disease pressure has been an issue and will have some impact on yield, but to what extent is still undetermined.
- Illinois, Indiana, and Ohio experienced one of the driest months of August in 120 years.
- There is a gap in Dec futures at \$4.3275. Historically, we would close that gap before the end of November.
- Current December futures following the 10-year historical pattern lending itself to a harvest rally.

- **Bears**

- Disease issues are not making a big crop small enough to matter.
- Carry out over 2 billion bushels will continue to pressure upside.
- Fall volumes will continue to pressure basis through harvest as piles form across the West.
- Large acres are still out there, and Southern harvest acres over-performed.

SOYBEANS



- **Bulls**

- Disease issues will take the top off of the yield and will average something less than 53 bushels/acre.
- Carry out numbers are supportive of a higher futures value.
- Trade deal with China will spark a rally in futures and basis appreciation.

- **Bears**

- No China trade deal in sight is an issue and a concern.
- Carry out number is based on big export program, which may not come to fruition.
- Lack of export market will lead to storage issues at harvest, pressuring basis.
- Brazil and South America are in the driver's seat with China.
- Meal and oil continue to see pressure, keeping a cap on soybean futures.

Fall strategies to consider:

- Basis contracts on corn may be the way to go on a portion of the bushels you are delivering at harvest. It will give you till the end of November before they need to be priced - a lot of flexibility to stay in the market after November, 15% moisture and no cost.
- Delayed Price contracts on soybeans could bring value this year if we get a China trade deal done.
- There are other strategies, such as Extended Price, that provide ways to stay in the market other than Delayed Price contracts. We can aid in understanding how these programs work.

Please have a safe and successful harvest. Thank you for your business!

FALL HARVEST UPDATES

For fall harvest updates, please watch our website and sign up for our text alerts.

SEED

Seed Report - Steve Fry, Operations Manager

We had a great turnout for the Pork Chop Feed last month! We hope you enjoyed the food and the Red Wing Boot promotion.

LOOKING AHEAD TO 2026

Here are some **key hybrids to consider:**

• Corn:

- 3276SS Pro ◦ 3519SS ◦ 3724VT2 ◦ 4024SS Pro ◦ 4265SS Pro
- 3330VT2 ◦ 3715SS Pro ◦ 3818VT4 ◦ 4188SS

• Soybeans:

- 1430 ◦ 1620 ◦ 1826 ◦ 2230
- 1525ES ◦ 1825 ◦ 2020 ◦ 2336

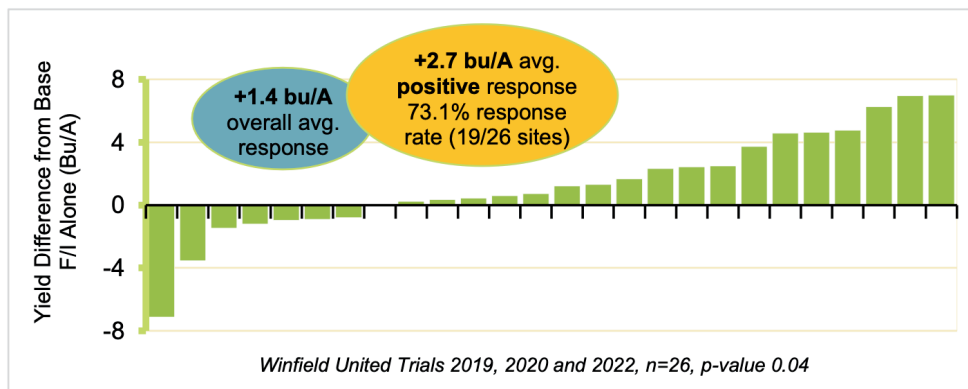
New soybean seed treatment to consider - Ascend® ST3

Benefits:

- Helps accelerate early-season development
- Improves germination
- Enhances root growth (with the addition of a PGR seed treatment)
 - Ascend® ST3 plant growth regulator helps protect your seed investment from early-season stress, as shown below.

Ascend ST3 PGR increased soybean yield in conjunction with a fungicide/insecticide seed treatment in high yield environments

F/I Base + Ascend® ST3™ vs. F/I Base Alone (Location mean yield > 64 Bu/A)



Submit your photos for the 2026 FCE Calendar Photo Contest!

The FCE Calendar Photo Contest is open to all FCE patrons, employees and their families! Submit your high-resolution photos from **any season** via text to 507-829-9552 or via email to fce@fcemn.com. Be sure to include the photographer's name and farm.

Thank you to all who have submitted so far this year! We look forward to seeing your new photos!



PHOTO SUBMITTED BY TYLER RODEBERG - 2026 CALENDAR PHOTO CONTEST

PHOTO SUBMITTED BY KRISTA KELLEN - INCLUDED IN 2025 FCE CALENDAR



FEED

Feed Team Update - Dylan Dubbeldee, Feed Mill Manager

Fall is here. As we continue with the Feed Mill upgrades, everything is going well. We have completed our computer upgrades for the automation system, and it is working great! Some other small projects have been completed as well, and we are hoping for the main push to start in the next couple of weeks.

All in all, the project is about 60% complete, and even though we don't have everything completed, we have seen some improvement. We hope to continue to improve the Feed Mill so we can enhance the service we provide to our patrons. We appreciate the support you have shown us in this time of upgrades.

Aside from upgrades, we currently have a Hubbard promotion going on through the end of 2025. Buy 12 bags of Homestead® poultry feed and get 1 free! You do not have to buy it all at one time.



Be sure to like and follow our Facebook page to keep up to date on all things FCE!

Farmers Cooperative Elevator Company

WE'RE PLANNING ON GOING DIGITAL!

This may be the last printed newsletter for a while, so be sure to watch the FCE website and Facebook page to find out how to sign up and view them in the future.

