Lincoln Supply, Ag Partners’ joint venture with area turkey producers, recently completed construction of a second mill tower at its Ellsworth site. The facility has the potential to be one of the largest producers of feed in the Midwest. The new mill highlights include:

- Will grind up to 18 million bushels of corn per year.
- Will dispense about 120 truckloads of turkey and swine feed every day.
- Potential for one million tons of feed pelleted annually.
- Facility includes storage for 1,000 tons of finished feed and 2,000 tons of ingredients.
- The expansion will create several new positions.
- Dual pellet lines for production of two different feeds simultaneously.

The operation of the new 160-foot tower was acknowledged at an open house last December. Iowa Secretary of Agriculture Bill Northey, who attended the open house, commented that the plant will use Iowa corn and soybeans to feed hogs and turkeys in Iowa. “The efficiencies that were built into this plant, including using the pellets to feed animals, makes it more efficient for livestock operations to get what they want,” Northey stated. “I think it has to make you optimistic about the livestock industry in Iowa.”

Quote reprinted from AgFax.com – online ag news source.
As we turn the page on 2014, you have to wonder what new challenges and opportunities 2015 will bring. My crystal ball remains a little hazy. Ag Partners will continue to focus on employee retention and talent attraction. We just completed our second employee engagement survey almost one year after the first one. It reinforced that we do many things well and identified only a couple of areas needing attention. We will implement several key initiatives in 2015 to ensure a great team will better serve your farming operation. Ag Partners continues to focus on growth opportunities. This includes evaluating various projects to grow our business and offset costs that continue to show inflationary increases. We have a number of projects to present to the Ag Partners board at our February retreat.

I am pleased our feed business is demonstrating record volumes for our fiscal year’s first five months. The feed mill expansion in Ellsworth, Iowa couldn’t have come at a better time due to this growth in business. This expansion doubles the mill capacity in Ellsworth and provides an improved quality of mash and pelleted feed. A special thank you goes to Bill Lyster and Doug Pittman for their oversight of this project.

As most of you know, Ag Partners is owned 50.1% by Alceco, a local cooperative that will celebrate its 110th birthday this year. Congratulations to Alceco for achieving several key milestones this past year – paying off all outstanding debt, hitting $43 million of equity, and fulfilling commitments on patronage revolvement to Midwest members for local equity and estate payouts. The solid financial strength of our owners allows Ag Partners the opportunity to focus on the right investments for the future.

If you have any questions or concerns, contact Beth Wischmeyer at 712-843-5253.
Record Pro Pricing Enrollment

As many of you know, Ag Partners recently completed enrollment in this year’s Pro Pricing program. Looking at the final numbers, we’re excited about some of the records set this year. Not only do we have a record number of people enrolled, up almost 50% from last year; we also enrolled a record number of bushels (a 75% increase). A record was also set for the average number of bushels per customer, at almost 18,000 bushels each vs. about 15,000 last year. There is talk about diversification in agriculture, and this program is an effective way to diversify some of your marketing decisions. We have tried to convey that there is more success from this program with people that enroll consistently versus those that vary participation from year to year. If you signed up this year - “good job; stick with it.”  If you decided to pass, please keep an eye on it, and investigate more before the next enrollment. Our grain experts are always ready to discuss this program any time of the year.

Grain Marketing

It may sound over simplified, but the best place to start on grain marketing is with a marketing plan. By taking a good hard look at your breakeven per bushel, you’ll make a better decision about whether or not to sell at a specific level. We continue to hear that $4 and $10 are the magic numbers for corn and beans. While I agree that $4 and $10 sound good compared to just a couple of months ago, I think it’s an easy way to delay making a decision. “Call me when you get to $4” is not a good marketing plan for several reasons. If/when we do get to $4, one of two things usually happens: A) the target moves... “Ok, call me at 4.10” or B) the price drops before we can contact the entire list of people waiting for a phone call at $4. Both of these situations can be avoided with a “firm offer.” If you are serious about selling at a specific level, leave us a firm offer and when it gets there, it will automatically get filled.

I also encourage scale-up selling. Pick a starting point and get something sold. Again, this will depend on your situation, but I believe it’s better to start at or around your breakeven point. Then, place firm offers at levels above that number for more bushels with the intent of having an average selling price that works well for your operation. By doing this as part of your marketing plan, you make economic decisions based on farming practices. You will be better able to withstand the day-to-day market volatility and emotional swings that go with it.

One Last Thing

The last thing I want to share is our current program for moving grain from your bins to the elevator. We are offering FREE Price Later, with the bushels to be priced by August 31. Moisture discounts that apply to this program equal shrink plus 4 cents/point drying. However, if you decide to sell the grain within the first 30 days, only shrink fees apply. Contact any of our grain buyers for more details, or to discuss your marketing plan.

FFA Scholarships

Each year, Ag Partners and Alceco offer a scholarship to one high school senior from each FFA chapter in Ag Partners’ trade area. This award is based on points accumulated throughout each student’s FFA career. Any high school senior in each selected FFA chapter may apply for this award. In addition to the application, Ag Partners must receive an official class schedule that shows the recipient is a full-time student who completed the first semester of college and is enrolled for the second semester. An FFA member can only receive this award one time. For a list of participating schools and to download an application, visit www.agpartners.com/ffa-scholarship.

All applications should be mailed and postmarked by March 2, 2015.
Ag Partners’ employees make up a team of qualified, dependable people who work every day toward a common goal – the success of our customers. Each year, we recognize long-time employees to thank them for their dedication. Years of service are as of July 31, 2014

**40 YEARS**
Fred Ehlers • Albert City
Gary Hogrefe • Albert City

**35 YEARS**
Lynn Heideman • Royal
Loren Meyer • Sheldon North

**30 YEARS**
Pat Conway • Hartley

**25 YEARS**
Larry Klein • Sheldon North
Dan Waggoner • Sutherland
Scott Lovin • Albert City

**20 YEARS**
Jamie Tauber • Fonda
Brian Nepple • Alta

**10 YEARS**
Nancy Snyder • Albert City
Adam Nielsen • Alta
Brad Carlsen • Albert City
Mike Conover • Calumet

**5 YEARS**
Jay Hendrickson • Ellsworth
Jennifer Uphoff • Hartley
Luke Lovin • Sheldon North
Corey Hopkins • Royal
Justin Jones • Ellsworth
Marlin Uittenbogaard • Alton
Robert Stauter • Fonda
Eric Strauss • Fonda
Tom Edwards • Royal

**We Honor …**

Ag Partners lost a long-time employee in 2014. For 41 years, John Forbes dedicated his career to Ag Partners. He held a variety of positions in both the Varina and Albert City locations. John was a member of the Albert City Fire and Ambulance crew for 32 years, and was an active member of the community.

**Training – a Priority**

All Ag Partners’ employees participate in a variety of training sessions every year. This ensures our employees stay on top of issues that impact our customers. Last fiscal year, we invested more than $266,000 for training (excludes safety training).

Our top priority is the safety of our employees. On average, each employee has at least 26 hours of safety training each year. Last fiscal year, the company spent roughly $106,000 for safety training.