

A time for thanksgiving

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We have much to be thankful for at this time of year. Crops are safely stored and the ag economy is robust. Prices are high and we are once again looking forward to returning profits back to our patrons.

We are blessed with hard-working employees who bring excellent customer service to our producers. And you, our producer-owners, have rewarded us with continued support.

Now we are looking forward to next year. We have a state-of-the-art liquid plant in place in Colby to meet the needs of the busy spring season. Colby's new liquid plant is a fully automated system which should help strategically position CHS and United Plains Ag for added benefits during the peak fertilizer season.

The new system, with 18,000 tons of additional storage, will allow the agronomy division to do more blending of products and micronutrients on site. The new plant will benefit producers by having product in place when it is most needed, and product can be brought in by truck and rail.

"Supply is vital," said Jeff Kahle, agronomy division manager. "We can handle a larger volume of product when we are at our max during peak time."

The fully automated system will also mean faster load-out times. Kahle said a semi should be in and out in 15 minutes or less. The plant has also strengthened the companies' relationships with their suppliers because of the added capacity.

Our agronomists, like the three featured on page 4, are ready to answer all of your questions to help you get the most from your acres this next year. And with our new online grain trading platform, you will now be able to access and place orders at any time, day or night.

As producer Larry Bishop of Campo, Colo, (page 5) says, "You can always find something to be happy about. There is always the next year coming. Just count your blessings every day and go on."



The new liquid storage facility at CHS Colby allows for faster and fully automated loading for precision, along with an additional 18,000 tons of storage.

Thankful for the robust ag economy

On behalf of all of us at United Plains Ag-CHS, thank you for another very successful year. I think you will be very pleased at this year's annual meetings, coming sometime in February. Next year might be more of a challenge as summer and fall crops in our trade area this year were 60-80 percent of the average in the south and probably closer to 80-95 percent in the north. That will affect all of us going into the new year.

That being said, the opportunities with prices we have seen lately have benefited us all. Agriculture, compared to the rest of the U.S. economy, has been very robust. Because of this, risk management is more important today than it has ever been.



Pat Peterson
General Manager

Online trading platform

We will be introducing an online bid offer trading platform available to producers by Dec. 1. We will be traveling around the country introducing this to our producers. This will allow you to go online and trade grain during all grain trading hours. This will allow you to put in orders to fill at the price we are bidding or set futures and/or basis at a level you would offer for sale. This will move us away from taking open orders from producers and allow you to do it yourself.

Infrastructure

We are in the process of looking at a new retail agronomy center in Tribune. We hope to have those numbers in front of your board soon for their approval. The old facility, at what we have termed "North Plant," has outlived its need. Tribune will give us a better center for our trade area.

Be safe

Our producers and our employees are our most valuable assets. We are focused on doing everything we can to assure everyone's safety every day. Our industry has seen an increase in fatalities in the last couple of years, either commercial or on farm. I encourage all of you to take the time to think about how you are doing things. It happens in an instant all too often. I always hear "we are too busy or don't have time," but please slow down and be safe.

Our neighbors to the north in Canada are talking of dissolving the Canadian Wheat Board. This will allow their producers to partake in the same free marketing opportunities you in the U.S. have enjoyed for some time. I do not see that as being a negative to our markets as we compete with them when the grain is moving through exports or directly into the U.S.

Please allow us the opportunity to serve you. We have a wonderful staff of employees wanting to work with you. We are your local cooperative, in your communities, serving your needs.

We at CHS-United Plains Ag want to wish you and your families the most joyous of holiday seasons.

Returning profits to the country



Joe Horton
Controller

CHS Inc., your cooperative, is a diversified energy, grains and foods business and a Fortune 100 company that is committed to providing the essential resources that enrich lives around the world. Along with the energy, crop nutrients, grain, and livestock feed you are familiar with, CHS also provides food, food ingredients, and business solutions including insurance, financial and risk management services.

November 14 your cooperative, CHS Inc., reported earnings of \$961.4 million for the 2011 fiscal year. This is the highest in the cooperative's 80-year history.

"While we celebrate record results for fiscal 2011, our greatest achievement this past year continued to be adding value for our producer and member cooperative owners who count on CHS as a source of energy and crop production inputs, a connection to

domestic and global grain markets, and access to risk management tools," said Carl Casale, president and CEO of CHS Inc.

During fiscal 2011, CHS provided a strong financial return to you, its owners, of \$227.3 million based on fiscal 2010 results. In fiscal 2012, based on these 2011 earnings, it is expected that approximately \$421 million will be returned to you.

Those patrons who are 70 years of age or older can request their deferred equity be redeemed. Currently CHS-Quinter equity holders over 70 have approximately \$175,000 which can be redeemed on their request. United Plains Ag equity holders over 70 have approximately \$1.1 million which can be returned to them on their request. After the initial request for redemption, patronage will be paid 100% in cash.



Be careful in the markets

Corn markets have settled into a trading range from \$6.40 to \$6.55 on the December board and are off \$1.20 from the highs we saw in August. Within that trading range we have a lot of volatility.

Can grain markets move higher from these levels? Yes. Do they have to move higher from these levels? No.

On Nov. 9, the government lowered this year's corn production, but they also lowered estimates for this year's demand for corn. Corn futures were down five cents. Exports for corn and wheat are slow as other countries compete for our traditional markets. U.S. wheat is being displaced in world markets by wheat from the Black Sea Region. Australia is looking at the potential for a great wheat crop, and South America is in line to produce strong wheat, corn and soybean crops. Recently Ukraine sold corn to Japan, which is unheard of. Argentina is working hard to sell corn to China.

Worldwide prices for grain have reached



Steve Younger
Grain Merchandiser

a level that has stimulated grain production overseas whether it is corn or wheat or soybeans. Producers overseas are ramping up production. Ethanol producers have been excellent customers for our corn, but ethanol is a political creature that depends on a government mandate. Next year is an election year and we all know what a disaster our government's finances are in. Ethanol producers are maxed out on production of ethanol and not looking to increase corn usage from current levels.

Cattle numbers will peak shortly, and we will see diminishing cattle numbers for an extended period. The poultry market is shrinking because of high feed input costs and low poultry prices relative to input costs.

Input costs for producing corn have risen significantly. Margins on corn production are being squeezed.

There is a lot of uncertainty in both the commodity and financial markets. Producers are not selling and basis levels are firm. Make sure you know your operation's needs and keep all of these factors in mind when making grain marketing decisions. Be careful out there.

Planning for next year

Here we are again, another fall harvest finished and planning for the next. It seems we don't even have time to catch a breath. First, thank you for your continued support and partnership with United Plains Ag/CHS Quinter.

In the last newsletter, we discussed the regulations that were coming with repackaging bulk chemicals into shuttles.

Now those regulations are here, and we have been working very hard the past few months implementing a program that we are required to follow for state container tracking and DOT requirements. We have disposed of many shuttles that we can no longer fill and are positioning product with approved shuttles that will meet the required regulations. If you have not seen or heard about this program, please contact any of our chemical locations and they can inform you of the new requirements.



Jeff Kahle
Agronomy Divison

With the planting of wheat this fall, we got off to a great start compared to last fall. The wheat is up and looking good. We have

started topdressing wheat and applying weed control for this next crop. If you need nitrogen for your wheat, we can apply or supply dry or liquid fertilizer for your wheat fertility needs.

Corn seed selling season has started and we have some significant supply issues with the seed companies. Flooding and drought hit seed production on all levels. If you are looking for a specific variety, I would not wait on this. There are already issues. Please call your United Plains Ag/CHS Quinter sales rep to make sure your supply needs are met. I can't stress it enough: don't wait on this.

The fertilizer terminal at our Colby location is up and running. We are putting the finishing touches on it and look forward to this facility enhancing the fertilizer supply for our customers. We will be holding an open house in the near future. Notices will be sent out when we get the date set. Please plan to come and see this impressive facility.

As always, if you need help with planning next season's crops, any of our sales team can help you with your crop planning needs.

Again, thank you for the opportunity to serve you this past year. We look forward to earning your business this upcoming season. Have a great holiday season and be safe.

Focus on safety

In the ever changing world of Safety and Compliance, we, as employees of United Plains Ag and CHS Quinter, work every day to improve the safety for our employees, customers and the communities that we work and live in.



Rob Bierble
Safety Director

I would like to say thank you to Dirk Schneider and Amanda Juenemann for putting on the kids' safety meeting in Tribune this year. United Plains Ag and CHS Quinter enjoy helping with this program and think that it is very important.

We will continue to do training with our employees and local fire departments as we did last year. As you are at our locations, we hope you notice improvements that have been made.

Have a safe and happy holiday.

Around the Area



Dale Hazuka is a CHS agronomist who covers Cheyenne and Rawlins counties in northwestern Kansas. 785-673-3059, dale.hazuka@chsinc.com

Pushing crop production is talked about regularly in the ag industry, and I think our next 50 bushels in corn production will come from information gleaned at Croplan Answer Plots like the one east of Brewster.

Through these plots, we study all the nutritional aspects of the new hybrids, the diseases that might affect them, the response to populations and nitrogen changes. All the research we are getting out of those plots is going to help our decision-making to find that next yield increase. The genetics are there, we just need to figure out the next step. Find out more at answerplot.com.

What is nice about the Answer Plots is this isn't information coming from the corn belt or south Texas where it doesn't rain. This information is coming straight out of our backyards. The information we are gathering completes the R7 tools we use to help you find the best plan to strategically place the right crops on the right acres.

If you haven't visited an Answer Plot, I encourage you to do so next year. They are very exceptional places. We have three field days ever year but the plots are always open for private VIP tours. If interested, give me a call or send me an email, and I can set one up.

Cover crops are becoming more important all the time, and in my area, I am seeing yellow field peas working out well as an excellent cover crop in place of complete fallow operation.

As you make your seed selections for next spring, you might be hearing a lot of hype for refuge-in-a-bag seed corn. Make sure you read the fine print to find specifics on what the refuge requirements are. Only a select few companies are offering true 100 percent refuge-in-a-bag coverage with the correct refuge requirements. Don't let a wrong decision affect crops for years to come.



Steve Burleigh works with western Kansas producers from Selden to Colby. 785-443-0131.

Steve Burleigh

We are here to help producers improve yields. That is our number one goal as agronomists with CHS and United Plains Ag,

and there are a number of factors to keep in mind when trying to push those yields higher.

- Soil tests

A soil test is a great start. This allows you to have a starting base for your nitrogen, phosphorous, zinc and sulfur needs. Sulfur and zinc are becoming more important even though soil tests are coming back in the adequate levels. You must decide how best to apply those needed nutrients in the way that works best for you. Dry, liquid and strip applications all work, and we have the equipment and products to help you with any of those application methods. Just make sure you are feeding your crop everything it needs.

- Variety selection

The next step is selecting the right variety for the field. Every field is different and needs to be treated that way. Selecting the right genetics, along with the right treatment, is very important. Insects are becoming more of a concern, especially corn rootworm. The Smart Stacks have been a great advantage, but growers still need to knock back corn rootworm beetles in season.

- Tissue samples

In-season tissue samples at 4-6 leaf stage and again at 9-11 leaf stage help identify if we need to correct any micronutrients and late season nitrogen needs. Max-In ZMB was used extensively this year and helped to correct any zinc, boron and manganese deficiencies that showed up. This, in turn, helped yields. A late season shot of nitrogen also helps during grain fall period, which is very critical.

- Harvest time evaluations

Harvest time evaluations are a must. Every hybrid reacts differently each years. Hybrids that where top performers last year may have been off some this year, but don't give up on them. Next year may be totally different, something we are all aware of.

- Herbicide

Herbicies are also important. We continue to have more and more weed resistance showing up. Multiple modes of action are becoming necessary to help control weeds. Each field needs to be evaluated for what is out there. Then decide the best option.

I try to treat every customer's field like it was mine. Improving yields while maintaining profitability is the key.



Rob Cline has been with United Plains Ag for four years covering southeast Colorado. He brings more than 30 years of experience working in the industry. 620-376-8986

Rob Cline

I work with clients in a variety of situations here in southeastern Colorado and even know the nutritional requirements to grow onions on a large scale. Yes, it can be a smelly job, but it's one I've happily done for more than 30 years.

Here in the Valley between Lamar and Syracuse, producers grow crops under flood irrigation like vegetables, alfalfa, and corn. Outside the Valley, it's a much different story. Some producers rely on irrigation for corn and wheat, while others grow dryland crops like corn, wheat, and grain sorghum.

But no matter what you grow, at this time of year, it's important to think about your crop plans for next year, including your input and seed needs. With high grain prices right now, fertilizer prices are higher than what they were a year ago so

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Stubborn enough to stay

The Bishop family of Baca County, Colorado, has always been known for its strong backbone, and some might even say a bit of stubbornness, but Larry Bishop of Campo says you have to be strong and tough to scratch out a living in the sandy soil of southeastern Colorado.

Larry's grandfather, Jerry Dee, rode the train from Osceola, Mo., to Lamar nearly 100 years ago, stopping to rent a horse and buggy before heading south to what he called "paradise."

"I've finally figured out why," Larry, 64, said with the slow, easy manner common to those in the area. "There's no rocks and no saplings to cut."

Paradise is not a term often used to describe the corner of the country more often referred to as No Man's Land, but Jerry Dee dug in and made a living to support his family, which eventually included 13 children with two sets of twins. Jerry Dee's two brothers came out too, staying long enough to prove up their claims, then they left, selling their land to Jerry Dee and heading back to the easier living found in Missouri.

"Stubbornness, it's hereditary," Larry said. "My Aunt Thelma used to say, 'That Bishop streak, it runs right down the middle of your back.'"

Larry is now the third generation of Bishops to farm in Baca County. His dad, Ray, who was better known as "Budge", returned to the county after serving in WWII and quickly became well-known in the broomcorn industry. Broomcorn was grown in Baca County for more than 35 years, with the heyday from the 1950s to the mid-1970s. Baca County was known as the Broomcorn Capital of the World, and Budge was crowned its king in 1965 at the National Broomcorn Growers & Manufacturers Convention, earning the title of Broomcorn King of the World. At that time, he harvested more than 5,000 acres of broomcorn.

"The whole country down here in this sand was about all broomcorn," Bishop said, gesturing out his kitchen window northeast of Campo. "It was a pretty viable crop. It didn't need a lot of water and was a great place to run cows in the wintertime."

It was a very labor-intensive crop though, requiring as many as 165 men on a crew. Larry's mother cooked three meals a day for 125 men at a time. Broomcorn is actually a sorghum, and the harvesting process stretched out for weeks. Cutting crews started during the last week of August and ran until the first frost. Then ricking crews came in to pick up the corn, stack it, remove the seed and bale it. The corn was delivered to town and shipped out by rail.

Larry joined his father in farming after he graduated from high school in 1965. He credits attitude with keeping him in it for 46 years.

"Don't worry about the things you can't change, and the rest will take care of itself," he said. "My dad told me, 'If you are going to farm here, just play like it's going to rain tomorrow.'"

Rains are few and far between in southeastern Colorado. Average rainfall for the area ranges from 12 to 17 inches, but few rains came this year.

"It's the worst I've ever seen it," Larry said in late October. "We haven't had three inches since September 2010.

It's drought interrupted by a little bit of rain."

In fact, the area has had less rain this past year than during the 1930s, when dust storms raged across the area, burying fence posts and homes in dirt and sand.

Even so, Larry's fond of the place he has called home his entire life.

"It's out where the hoot owls roost with the chickens because they are pretty short on hoot owls," he said. "But it's a great place, I wouldn't trade places with anybody anywhere, I guess."

About 10 years ago, Larry says he tried to retire. He and his wife of 46 years, Anita, drove their RV to trap shoots across the country, but farming lured him back. He raises corn, wheat and alfalfa, running cattle in the summer and taking care of cattle in a 2,500-head feedlot near his house. He heads to the Campo cafe early most mornings to visit before heading out, and a few years ago, he bought a domino parlor in Springfield with a friend.

"It's a place to chew, spit and cuss," he said with a smile.

He's happy and has no plans to retire in the near future.

"You know you're done when you die," he said. "I enjoy it so I guess I'll still do it for awhile. It's pretty hard to make it go sometimes, but even in bad years, you can find something to be happy about. There is always the next year coming. Just count your blessings every day and go on."



Larry and Anita Bishop built their home during the winter of 1977-78, using native stone from northwest of Pritchett, Colo. Every Sunday for several weeks they would load their three kids in the truck for a picnic and then they would pick up rocks. It took 10 truckloads of rock to finish their house. Larry is pictured above with his dog, Buddy, at his home northeast of Campo.

Stepping up to responsibility



Beau Larson, 30, lives southeast of Sharon Springs and joined the United Plains Ag board last February, following his dad Dan's advice and to give a voice to young producers.

Beau Larson had been an associate member of the United Plains Ag board for about a year when an opportunity arose to run for a regular board position.

Longtime board member Bryan Pearce of Wallace decided not to run again and asked Beau if he would consider running for the open spot.

"I didn't really know at that stage," Beau said. "I thought maybe I was a little young, but my dad, he encouraged me to run. These were my dad's exact words. 'When you get a chance to run on a board, if you aren't willing to take that opportunity to let your voice be heard, then you have no right to run 'em down for things you don't believe in.'"

Beau's grandfather, Floyd, had been on the cooperative board when it was Wallace County Cooperative, so Beau decided to give it a shot. He's been on the board since last spring and has learned a lot about the cooperative.

"It's opened my eyes a lot, sitting on the board," Beau said.

He appreciates how United Plains Ag's shuttle loader is bringing in grain from across the region, making UPA a bigger player in the area. Also, as a cooperative, United Plains Ag gives back patronage when it had a good year. And Beau believes its affiliation with CHS has made the cooperative stronger, especially during tough years when the cooperative can share losses with other Country Ops locations.

At 30, Beau is one of the youngest producers on the board. He feels that fact brings a different perspective to the table, and he encourages the cooperative to be competitive in all aspects to pull in those younger producers who are looking for the most value for their dollars.

Getting a start in today's ag industry is not an easy task. Young producers are in the minority in farming communities, but mentorships and advice from others help them become successful. Beau has seen that in his own experiences. He had always wanted to come back to farm after college, but knew it would be a challenge with today's costs.

"It's all I've ever wanted to do," he said. "Throughout high school, I was about the only dirthead in my class. I couldn't wait to get home and get to farming or running cows."

After two years at Colby Community College where Beau majored in ag business, he came back to the family farm as a hired hand. That was 10 years ago, and now the farm has developed into a partnership between Beau, and his dad, Dan. Dan handles the family's purebred black Angus cattle, while Beau is in charge of farming. His brother, Brady, also helps with the cattle side of the operation.

"My love is actually the farming, understanding the seed corn varieties, wheat varieties, and chemicals, when Dad's love is cattle bloodlines," Beau said. "He says, 'You keep corn varieties in your head, and I'll keep cow pedigrees in mine.'"

But if it weren't for Beau's granddad, Floyd, who allowed Beau to lease a quarter of land and use his equipment, paying for maintenance and running the equipment on Floyd's ground, Beau said it would have been nearly impossible to start.

"You have to have help somewhere," he said, "not necessarily financial help. I'm not going to sit around and wait to inherit ground. I knew I needed to do my own thing to try to get started."

Beau and his wife, Tammy, live southeast of Sharon Springs and have two children: daughter Kenli is five, and son Trell is three. Tammy works in Tribune as an X-ray technician.

Getting behind the numbers

Amanda Roulier enjoys the challenges of working in the ag industry, and now, as assistant controller for United Plains Ag and CHS Quinter, she is learning what goes on behind the scenes in the industry.

Amanda has been with the company since Dec. 31, 2009, when she started as a bookkeeper in Brewster. She's worked in the grain industry for 10 years, including years running the scale during harvest as a teenager. She now assists Joe Horton with the bookkeeping tasks that crop up from managing financials for United Plains Ag's seven locations and CHS Quinter's five locations.



Amanda Roulier

"I answer questions all day," she said. "I answer a lot of questions on our accounting software."

She has a strong knowledge of Agris, the accounting system that both UPA and CHS Quinter use to keep track of financial information. She is also helping UPA launch its online grain bid program (see page 8 for more information.)

When Joe needed more help with month-end accounting and the daily phone calls that come with the territory, Roulier agreed to step into the newly

formed assistant controller position. She lives in Brewster and drives to Sharon Springs daily to work out of the main office there.

"I'm enjoying learning new things," she said. "It's fun, I think, to learn new things."

She and husband, Brad, have four children, Dara, 14, Brett, 11, Kara, 5, and Bryce, 2. Brad works with Amanda's dad in his tire shop. Amanda actually trained to be an auto mechanic and worked in that field for several years before their son, Brett, was born. After that, she went to work for a bank and then Frontier Ag, where she found she enjoyed working in the ag industry.

She's enjoyed the challenges that come with learning a new job and is comfortable working with all divisions, from grain, to agronomy, to energy.

Rob Cline

From Page 4

getting a certain amount of your input prices locked down now is always a good practice. Don't get caught with high input prices and low crop prices. Be aware of what the markets are doing and plan accordingly.

We're working in a moisture-deficit area down here, but producers still have to make plans and continue on, even if that means working with a reduced rate of acres. Although there were challenges of last year, a lot of good things happened down here. Irrigated acres brought in some good yields and it's worth evaluating what hybrids and practices worked best in our challenging year.

In the Valley under the flood irrigation, the cash crop this year was alfalfa. Most of the valley alfalfa crop went south to dairies and feedlots in Texas, the major drought areas.

Our alfalfa benefitted from a good fertility program. With a good fertility program, producers can obtain the most efficiency from the water they apply, while getting the most production. MESZ, a nutrient that has been talked about in prior newsletters for its benefits with wheat, works exceptionally well with alfalfa. Alfalfa is a perennial plant and taking care of its nutritional needs with a surface application of MESZ when that plant breaks dormancy and starts growing insures that plant is going to be healthier and better able to withstand any other stresses it may encounter.

Even with irrigation and the canal system in the Valley, it can be a crap shoot every year as producers try to guess what amount of water they will get. Weather events to the west and snowpack are determining factors

in what kind of water profile producers in the Valley will have to work with. Even with 120-130 percent snowpack, last year was a short irrigation year. Much of the water ran out before it made it to the eastern edge of the state.

Because water profiles can change so drastically from year to year, producers must make plans on what an average year will bring. There have been times when we have only had 80 percent snowpack yet ended up with a 120 percent average on the amount of ditch water we got. Out west here, water, or the lack of water, is one of the most limiting factors or crop production so doing whatever we can to limit our water use is always a plus.

As you begin the process of planning for next year, give me a call. I'm always here to help you get the most out of your operation.





UNITED PLAINS AG

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Online access to grain trading

Grain markets don't keep regular business hours and neither do you.

That's why United Plains Ag now has a program that will give you the ability to make grain bids 24 hours a day. The electronic grain bid program is available through UPA's website, UnitedPlainsAg.com, and will give producers the opportunity to make grain bids whenever they think of it. Whether that is after shutting the combine down at 10:30 p.m. or as you begin your day at 6 a.m., the electronic grain bid system allows you to put in bids or change existing bids when it's best for you.

This is a free service offered by the cooperative. To get started, visit UnitedPlainsAg.com to sign up. The program steps you through the process of enrolling. Once enrolled, you are just minutes away from placing grain bids anytime, day or night.

This is a separate program from the co-op's online account access system so if you have already registered for that, you will need to register separately for this program.

Once accepted into the system, you can begin putting in grain offers, but those offers will not be immediately active until they have been accepted through the cooperative's grain department. If offers are made at night or over the weekend, they may not be accepted until the next business day. However, once an offer is accepted, producers can go in and change their offer at anytime and those changes will show up instantly.

For more information, contact Amanda Roulier at 785-852-4241 or Amanda.Roulier@chsinc.com.