



Return Service Requested

P.O. Box 40, Osborne, KS 67473-0040

LOCATIONS AT:

Alton	Corinth	Mankato
Bellaire	Downs	Osborne
Bloomington	Lebanon	Portis
Burr Oak	Luray	Waldo

PRSR STD  
U.S. Postage  
**PAID**  
Osborne, KS  
Permit No. 3

# Newsletter

December 2023

## Manager's comments

by Craig Mans

I think we are all glad to put harvest behind us this year and look forward to a better year in 2024. The dry fall allowed for harvest to move along quickly once the crops dried down. We have taken nearly 9 million bushels of grain for fall harvest. The small wheat harvest and fall harvest left us with plenty of storage available. Midway has no grain on the ground and this is the first time in many years that we can say that. Read more about harvest in the Grain Department Report. The elevators are once again closing on Saturdays until the spring to allow our employees more time away. Please communicate with your local branch on your needs during this time.

The additional grain bin at Burr Oak was completed in time for harvest and we are also still working to get the additional dry fertilizer storage completed at Burr Oak. As some of you may have heard, we are purchasing the Solomon Rapids Seed facility in Osborne. The new dry fertilizer plant will be at that location. We are excited to add some additional seed storage as well as get the new dry fertilizer plant up and going.

Our strong financial position has once again allowed your board of directors to approve an equity payout. This is the 26th year in a row for an equity payout. 5% of your equity will be paid out. This will amount to over **\$1.8 million in equity retirements**. Checks will be sent out in Mid-December. This keeps equity balances at the most 20 years old. This contradicts the thought that you must die to get your equity out. The board has also been aggressive in paying out 50% cash patronage every year.

Midway Coop continues to use the cooperative system to benefit our members. Our regional coopera-

tives are having strong years as well. The patronage we receive from them is added to our income and increases the patronage we pass on to our members.

We will continue to manage Midway Coop as efficiently as possible, offer the services that you need and return money back to you in the form of patronage. Thank you for your business and have a Merry Christmas!

## EQUITY PAYOUTS!

The Midway Board has approved a 5% equity payout. This is the 26th year in a row for an equity retirement. They elected to pay (retire) 5% of all patron's equities. This will amount to over \$1.8 million in equity retirements. Members will receive their checks this month. Remember this is a NON-taxable payment as the taxes were paid the year the equity was earned. The oldest equity in Midway Coop is from 2004.

## MIDWAY DONATIONS

Midway Co-op in conjunction with Land O'Lakes donated a total of **\$4,000.00** to the Osborne Fire Department.

Midway Co-op in conjunction with Land O'Lakes donated a total of **\$4,000.00** to the Burr Oak Fire Department.

Midway Co-op in conjunction with Land O'Lakes donated a total of **\$4,000.00** to the Downs Fire Department.

Midway Co-op in conjunction with Land O'Lakes donated a total of **\$4,000.00** to the Osborne Ministerial Association.

Midway Co-op in conjunction with Land O'Lakes donated a total of **\$4,000.00** to the Mankato Endowment.

# Agronomy

by Ron Reneberg

No two years are exactly alike and weather as we know can change quickly in Kansas. As you evaluate the past seasons results, please take time to discuss with our Agronomy Team what your needs are as you adjust and plan for next year's crops. Seed varieties that did well this past year might not perform the same under better growing conditions. One thing we do know is that Crop inputs will be needed. Check with your local Midway Agronomy location Manager and see details of our Winter Fertilizer Applicator discount program, Seed bookings and Chemical & Fertilizer prepaids. Schedule your soil sampling so you can take advantage of winter discounts that apply.

Fertilizer prices have been on a roller coaster ride this past several months with the current political unrest and two War fronts disrupting supply chains on product availability and energy prices. As markets adjust and regroup from these disruptions, suppliers are conservative at best on production due in part to the difficulty of the current economics. This makes it vitally important that we communicate our needs throughout our system, so we can guarantee adequate and timely delivery of input needs whether it be Fertilizer or Crop Protection products.

This time of the year we often reflect on our lives work and ponder where we've been and where we're going. Please stop and take a moment and give Thanks for our great land we live in and the families we have.

Midway Coop is here to support our local area in "Our business, Our Community and Our way of Life."

Here's wishing you a very Happy and Prosperous Holiday Season!

## Grain Department

By: Cullen Riner

I hope everyone had a Happy Thanksgiving. As the 2023 fall harvest is in the books, I want to thank our location managers and staff for the long hours and hard work they put in to help make this year's harvest a success.

As of the time this letter was written we have taken in almost 8.9 million bushels of grain. Up to this point, we have received over 5.2 million bushels of corn, over 2 million bushels of milo, and almost 1.7 million bushels of soybeans. Overall, grain quality has been good. As a company we have taken about 60 - 65% of what we would have if we wouldn't have had the weather issues this summer. Our central and southern locations were affected the worst by the drought, while our northern locations although affected by the drought, in most cases, exceeded our predictions. This will

be the first year in many that we will not have any grain in bunkers or in grain piles.

The corn and wheat markets have retreated since this summer, while the soybean market has remained firm due to the weather issues that Brazil is facing. As of now, we have bought about 20% of the corn, 25% of the milo and almost 60% of the bean crop. As we move into the winter months, we will be moving grain. Although corn basis is softer than it was a year ago, it is still steady. Milo basis could be volatile moving forward this year but right now is firm. This should make for another good year in the Grain Department and should assure good patronage dividends for year end.

Just a couple of reminders, you can sell your grain now and not take your payment until January of 2023, however as of December 1st we will not pay interest on grain to be paid in January. If you have deferred your payment until January, your checks will be available for pickup at the General Office or mailed from here on January 5th. If you intend to pick up your check please call and make arrangements, so the check does not get mailed. Please call if you have grain on the farm, we would appreciate the opportunity to give you a bid on it. I hope everyone has a wonderful holiday season and a very Happy New Year.

## Crop Insurance Revenue Loss

by Eric Mans

When looking at crop insurance revenue policies, this year's harvest prices are lower than the base prices that were set back in February of 2023. The corn and milo harvest prices are set during the month of October, based off the December Futures. The soybean harvest price is set during the month of October, based off the November Futures. The crop insurance harvest prices for corn \$4.88 is \$1.03 lower than the base price at \$5.91. For milo, the harvest price of \$4.84 is \$1.00 lower than the base price at \$5.84. The soybean harvest price was set at \$12.84 which is \$0.92 lower than the base price of \$13.76. So, what does this mean? If producers have a revenue protection policy in place a crop insurance payment is possible this year without necessarily having a yield loss.

Here is an example. In this scenario we will use an APH for soybeans of 40 bu/acre. The insurance coverage in place is a RP (Revenue Protection) 80% EU (Enterprise Units). Once again, the base or projected insurance price for soybeans was \$13.76. In this case, the bushel guarantee would be 32 bu/acre (which is 80% of 40bu/acre). Your crop insurance revenue guarantee for soybeans would be \$440.32/acre (32bu/acre x \$13.76).

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## • **loss**

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Let's say after harvest is complete the farm average ends up being 34 bu/acre, which would not trigger a yield loss. However, since the harvest price is set at \$12.84, the crop insurance actual farm revenue would be \$436.56 (34bu/acre x \$12.84). In this scenario, there would be a \$3.76/acre claim (\$440.32 Crop Insurance Revenue Guarantee) - (\$436.56 Crop Insurance Actual Farm Revenue) = \$3.76/acre revenue loss payment.

Here are a couple of things to keep in mind. The harvest price just like the base price is factored by using futures price, not the cash price at local elevators. The price the producer sells his crop for at the elevator is not used to determine whether there is a loss. If you have any questions or want to discuss any other of your crop insurance needs stop by the General Office in Osborne, or give me a call at 785-346-5451, or on my cell at 785-346-4654.

## **Elite Rx Programs-Cost Sharing Inputs**

*by Jeff Hammer*

I can't speak for everyone, but I will be glad to close the book on the 2023 crop season. The combination of drought and heat this year was unprecedented in recent history. I always talk about the difference between drought tolerance and heat tolerance and this year we needed both. With the recency of 2023 still fresh I want to expand on a new kind of retail strategy to services provided by Winfield United and Midway Co-op.

Elite Rx is a program that shares input risk with growers for doing 100% of their business with Midway Co-op. The way the program works is it starts with the seed order, whereby all our partnered brands in the Winfield Distribution system qualify the acre for enrollment. If you use multiple modes of residual herbicides (most of you do and may or may not know it), use a solid fertility program, and are open to potentially using fungicides, you can get up to a \$55/ac payout for corn, or \$40/ac payout for beans if you don't hit 100% of your approved yield. So, what's the catch, right?? There is a premium to pay to enroll in the program of \$10.25/ac for corn and \$8/ac for soybeans with the help of some of our seed partners helping buy that premium down. It also just covers the gap from 75% to 100% of approved yield meaning that if you fall below 75% of your yield you

get your premium back but cannot collect the payment. The reason for this is they simply had to put some backstop to coverage because a 2012 type drought could economically cripple the company if enough acres are signed up. There are some added inputs you need to consider for the full payment on corn such as Ascend in-furrow growth regulator with your starter (I put Ascend on every acre of my corn before this program existed).

The biggest change to the program since 2022 is the fact it's like an optional unit program for insurance meaning you don't have to fall below an overall enterprise yield to collect on every acre. It's not an all or nothing program hence the higher premiums. I feel that with the risk we have on the table for a crop now (\$150-170/ac just for seed, chemical, fungicide) that potentially getting 30% of your money back for not hitting approved yield can be a great risk program. Let's face it, if everyone was guaranteed to hit our aph's next year it would make for a better night's sleep cause most all of us manage to make money hitting yield goals, I know I do. And how would a conversation with your banker go saying if I don't hit 100% of my yield this next year, my seed is only going to net cost me \$15-20/ac. Finally, you might say why would any Retail Distributor offer something like this? It is because they know if you adhere to better agronomic practices and inputs that it will in the end grow more bushels, plain and simple. Midway has paid over \$300,000 back to growers for Rx risk management programs the past 3 years. Talk to your Midway Fieldman about the Elite Rx program for 2023. Thanks for your business.

## **Soybean Herbicide Planning**

*by Tanner Gasper*

I hope everyone had a good Thanksgiving. It is nice to see a little moisture across much of the territory and hopefully that continues throughout the winter. With the dry summer, fall harvest was quick and disappointing for much of our southern territory. It's time to put this year behind us and begin planning for 2024. Commodity prices remain steady, and with fertility and chemistry prices coming down, we have an opportunity to set ourselves up for success next year. One thing that probably got overlooked this season with no rainfall was weed control on post applications, especially in soybeans.

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# Petroleum Department

*By Trevor Oliver*

As our fall harvest gets wrapped up and we move into feeding season for our livestock, it is a good reminder to start blending your summer fuel. Currently, we are offering our #1 diesel at some of our locations. All locations are offering our Premium Ruby Fieldmaster to a blended ratio of 50/50 with #1. If you are still currently using our summer fuel, now would be a great time to start getting blended fuel or adding #1 diesel to your summer diesel. All our diesel products also contain "Arctic Express," which is a Diesel fuel Antigel.

Some winter fuel terminology:

- Operability: the lowest temperature at which a vehicle will operate without loss of power due to wax formations.
- Gelling: gelling is the thickening of the fuel (like Gelatin) caused by wax crystals which form as the fuel cools down.
- Cloud point: the point at which wax crystals begin to appear.
- Cold filter plugging point: the temperature that wax crystals plug the fuel filter and inhibits fuel flow. (Usually about three degrees below the cloud point.)

EIA (Energy Information Administration) Short term energy outlook:

Global oil supply. We forecast global liquid fuels production will increase by 1.0 million barrels per day (b/d) in 2024. Ongoing OPEC+ production cuts will offset production growth from non-OPEC countries and help maintain a relatively balanced global oil market next year. Although the conflict between Israel and Hamas has not affected physical oil supply at this point, uncertainties surrounding the conflict and other global oil supply conditions could put upward pressure on crude oil prices in the coming months. We forecast the Brent crude oil price will increase from an average of \$90 per barrel (b) in the fourth quarter of 2023 to an average of \$93/b in 2024.

U.S. gasoline consumption. U.S. gasoline consumption declines by 1% in 2024 in our forecast, which would result in the lowest per capita gasoline consumption in two decades. An increase in remote work in the United States, improvements in the fuel efficiency of the U.S. vehicle fleet, high gasoline prices, and persistently high inflation have reduced per capita gasoline demand.

Coming into the Month of December 2023 we are going to be opening up our summer Diesel contracting program for spring and summer of 2024. We will

be offering Premium Ruby Fieldmaster and ULSD15 #2 CLEAR. Please stop by or call any of our petroleum locations.

As this year comes to a close, let us all take a moment to reflect on the past and be thankful of what the future holds for us. I wish everyone a blessed holiday season

# Feed Mill

*By Dean Heise*



## Meeting the Mineral Demands

With the drought again this summer, most grass was brown all summer long. The brown grass has no Vitamin A content so now the cows are deficient going into winter with nothing but stored forage that has minimal amounts of Vitamin A. Usually cows require 45,000-50,000 IU of A but this year they are needing 75,000-90,000 IU since they have no reserves in the liver. Low levels of Vitamin A can cause bad eye health, scours and lethargy in newborn calves and cows may not clean when calving.

Another issue this fall is nitrate levels in feed stuffs. Typically cane feed, cereal grain hay and stalks are where we see the issue but also watch the amount of weeds that are in the fields and hay as some of the pigweeds and kochia have been very high in nitrate. Make sure to test the feed so we can see how to blend it so you can make it usable. High nitrate levels also limit the amount of copper that can be absorbed causing copper deficiencies, some symptoms include a poor hair coat and reduced weight gains.

Don't forget that our mineral promotion will be coming again in January so you can get 1 free bag when you buy twelve bags of any floor stocked range mineral.

## Maximize Feeding Efficiency

To maximize your cattle's genetic potential and minimize feed costs, we have to utilize all available nutrients going into the cattle. Hay availability is short and expensive so there are a lot of low-quality forages being mixed with wet distillers grains and we need all the help we can get to be able to breakdown the roughage. Wet distillers is somewhat of a challenge again this year with availability and price. Contact us to run a least cost on your mix to see if it is cheaper to use other protein sources to feed the cows or calves in your lots.

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