



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

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Newsletter

December 2018

Manager's comments

by Dell Princ

I hope everyone had a great Thanksgiving. We are thankful as I'm writing these comments that fall harvest is about done. And it will be a very good harvest. We will handle around 10.5 million bushels of grain this fall, which is the 2nd largest ever. 3 million was piled on the ground or in bunkers and most is covered with air on it. The uncovered grain will be picked up as soon as possible. As you know we had lots of interruptions with rain and even snow. This rain has restored our moisture profile which was greatly needed. It did however prevent a lot of wheat acres from being planted. I assume there will be a lot more fall crops planted next year. We appreciate and thank our patrons for their use of our facilities and services this harvest.

At the end of October, we had completed seven months of our fiscal year. I am happy to report that Midway Co-op's earnings are on track for another good year. Midway has handled over 13.5 million bushels of grain this year and this will pave the way for your co-op's financial success. All departments are doing well, and we will continue to provide the services that you require.

In addition to this, it appears that the regional cooperatives that Midway does business with are also having a great year. It looks like we will receive a considerable amount of patronage from them. This will add to our income and will increase our patronage passed on to our members. This is the beauty of the cooperative system. Members share in the profits!

We are fortunate that your Midway board has continued to approve the construction of additional storage. This year, two McPherson concrete tanks at Alton and

Bellaire were completed just in time for harvest. Without them, there would have been another million bushels of grain on the ground. Currently we are in the process of constructing another tank at Lebanon and we will continue to look at other storage building possibilities as we move forward. This storage is necessary not only for handling your grain, but also for taking advantage of grain marketing opportunities, which enhance our earnings and patronage back to our members.

Some of you might have heard that October is Co-op month. We celebrated our 110th anniversary this year and we are proud that we can provide all the services that you require for your farming and ranching needs. We will work hard to manage as efficiently as possible and continue to provide the services, while maintaining the profitability, which continues to enhance the services that are required for all your farming needs.

Again, I would like to thank our patrons for their support of Midway's facilities and services. I also want to thank our employees who put in the extra hours to keep you coming back. We appreciate your patronage and wish everyone a very Merry Christmas and a safe and prosperous new year.

EQUITY PAYOUT

The Midway Board has approved a 5% equity payout. They elected to pay (retire) 5% of all patron's equities. This amounts to \$1,500,000 in cash that will be paid. Members will receive their checks this month. Remember this is a NON-taxable payment as the taxes were paid on the year the equity was earned.



Agronomy

By Ron Reneberg

I hope this newsletter finds you having completed the bulk of fall harvest and able to give thanks for the bounties we have here in North Central Kansas. This past cropping season has had its challenges to say the least. With all the uncertainties involved in farming today it can be overwhelming when it comes to planning for next seasons crops. Midway's agronomy team wants to help you when it comes to making these decisions. That is why we have sound and proven agronomic fertility programs available early this fall to help you make these decisions. These programs are designed to simplify the process and save you money and planning time. Signing up early on our Dry Fertilizer Program you are assured to have cost effective and timely application of your crop nutrients for next spring's crops, with a savings. Make sure you talk to your area agronomy location manager or local agronomy fieldmen to discuss your needs.

Midways agronomy department has been busy evaluating our area producers needs and wants to continue updating facilities to make sure we offer the state-of-the-art facilities it takes to keep you growing on your individual farms. We have completed our upgrade to the Osborne Seed Treatment Plant to bring it up to speed with the latest computer software and treatment hardware available. This now is in line with the new upgrade completed last fall at our Lebanon location. We also have added additional seed tenders and liquid tenders to support this growing part of Midways businesses. Also, we are mid-process in building a New Crop Protection Plant at Bellaire Ks that should be completed sometime early this spring. This new plant will give us much needed room for operations and growth in this area of crop production. Timeliness in season is vitally important to us all and we want to be your number one choice.

I would like to end by saying a special Thanks to each and everyone of you our valued Patrons, for all your business and support this year and wish you a Happy and Blessed Christmas Season.

From the Grain Department

By Suzanne Roadhouse

A big thank you goes out once again to you, all our patrons, for making this another successful harvest. As I'm writing this newsletter, it's not over yet, but it appears it will come in as the 2nd largest ever. It did not

come smoothly. We endured many weather delays but fortunately got enough good days to get most of the crop in. All locations piled either milo or corn on the ground except Corinth where we were not open for harvest. Currently we have 1.8 million bushels of milo piled on the ground or in bunkers. There is 1.1 million bushels of corn piled in bunkers and we even piled 220,000 bushels of wheat on the ground prior to harvest at Lebanon to make room. This was all necessary, so we could handle your harvest needs.

Currently we have bought 45% of the beans, 20% of the corn and 18% of the milo. It's also interesting to note that we have bought 85% of the wheat crop. As we move forward through the winter months, I am sure there will be some grain on your farms to be marketed. Please call and let us quote you a price. There are different opportunities that work at different times. Call your local manager, Dell, or me for a bid.

Thinking along them same lines, do not forget to check your farm stored grain regularly for insect activity. Be sure to check your grain after a moisture event for leaks or the possibility that snow has blown in on top of the grain. That can be the beginning of trouble. If you need your bin checked for grain quality, we can arrange that to be done as well.

We thank you for your patience this harvest season. We wish you and your family a Merry Christmas and the best for the upcoming year. Thank you for all your business. We appreciate your loyalty as a Co-op customer.

Crop Insurance Revenue Loss in 2018

By Cullen Riner

Once again, this year's harvest prices are lower than the base prices that were set back in February of 2018. 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 \$3.68 is 7% lower than the base price at \$3.96. For milo, the harvest price of \$3.55 is 7% lower than the base price at \$3.83. The soybean harvest price was set at \$8.61 which is 15% lower than the base price of \$10.16. 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 \$10.16. in this case, the bushel guarantee would be 32 bu./acre (which is 80% of 40bu/acre).

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• loss

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Your crop insurance revenue guarantee for soybeans would be \$325.12/acre (32bu/acre x \$10.16). Let's say after harvest is complete the farm average ends up being 35 bu./acre, which would not trigger a yield loss. However, since the harvest price is set at \$8.61, the crop insurance actual farm revenue would be \$301.35 (35 bu./acre x \$8.61). In this scenario, there would be a \$23.77/acre claim (\$325.12 Crop Insurance Revenue Guarantee) - (\$301.35 Crop Insurance Actual Farm Revenue) = \$23.77/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 785-346-4768.

Digital Agriculture, Is there a fit for me?

By: *Jeff Hammer*

Welcome 2019! I know many of us are ready for 2018 to be over and for good reason. Trade Wars, Dry weather, Fall flooding and mudding out a crop will definitely be the highlights (or lowlights) of this past growing season. We have enough challenges facing us every year and 2018 threw a couple extra at us for good measure. One of the more challenging areas for many growers to wade into like the mud holes this fall is the area of digital agriculture.

The one question I get on the 150+ different platforms in ag today is, "how do I make them work for me?" Data analysis is a big deal when profit margins are tight. Many growers keep a notebook in the tractor of what got planted where and on what date and what population. But gaining any insights from this long-practiced activity is limited. What was the yield in a certain soil? What was the yield where I bumped my population by 2,000 plants per ac? What was the yield difference when I got rained out and came back 5 days later? What happened to yield when I ran out of starter fertilizer?

Many growers have a yield monitor and there is nothing better than watching the yield monitor at harvest but gaining insights from just watching a yield monitor at harvest can be convoluted. A bigger challenge is what if I run different color paint on my farm? That is where many of the more prominent platforms, like Climate, are separating with the ability to integrate among multiple equipment types.

We have been using Climate on our farm for 3 harvest seasons now and are beginning to get some good data collected. Last year was the first year we scripted seeding rates for every irrigated farm and the result was the best irrigated averages we have achieved with less seed inputs than in previous years. That is the area there is real value today, allocating resources differ-

ently based on profit potential on those acres.

On our farm we decreased corn seed needs by nearly 20 bags and soybean units by 50 simply by variable rate seeding. That has real impact on profit margins on the farm. Next year I plan on scripting some side-dress fertilizer on corn to place more in the areas of higher population and less on other areas.

Yield analysis is more insightful when you have spatially referenced input data as well. For example, on a farm this year I place a strip of 35,000 corn plants/ac to see if there was subsequent yield increase. At harvest, while watching the yield monitor, I was convinced the increase was noticeable. However, when I went back and made a region report the yield difference was only 2 bu. which was not economically beneficial. Had I simply been going off what I saw on the monitor, we may have decided to plant all that hybrid at 35,000 plants/ac instead of 30,000 next year increasing our seed cost by an unnecessary 16%. On the other side of the spectrum, a different hybrid in a different field I performed the same test on. On that hybrid we had a 20 bu. response on increasing population the same amount. That resulted in a 4 to 1 economic return and without data analytics we would have missed the ability for profit potential when planting that hybrid again.

So, this is where the value is. Using data to make input decisions in a changing marketplace. It is going to be difficult to capture that value without using technology going forward, and if there is value now, consider how much it will bring to the table when the commodity price landscape starts to improve? If you are interested in trying Climate free for a year talk to your Midway Agronomist today.

Quelex Herbicide

by *Brian Mans*

Wheat top-dress season will soon be upon us. With that comes decisions to be made regarding herbicides. The marketplace has lots of options, but a newer product that we have had good results with the last couple years is Quelex. Quelex herbicide provides broadleaf weed control with residual for your wheat acres, with very good crop rotation flexibility. Quelex combines two modes of action, including a new active, Arylex Active. As we have seen over the last several years, herbicide resistance is getting much worse, making the ability to use different modes of action critical.

One of the biggest benefits of Quelex is the crop rotation flexibility. If double cropping after wheat harvest is an option, Quelex is a great fit with a 3-month rotation restriction to corn, sorghum, soybeans and sunflowers. However, if a cover crop is planned it is a little bit of a different story. The grass species (oats, rye, triticale, etc.) are all either no restriction or 3-month restriction but brassica crops (turnips, radishes, etc.) and most legumes (cowpeas, peas, etc.) are all 9-month restriction.

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Quelex can be tank mixed with 2,4-d and a Non-Ionic Surfactant. It also may be applied in spray solutions with liquid nitrogen. Quelex can be applied from 2 leaf to flag leaf emergence. Application rate is 0.75 oz/acre and is priced similar to the 0.4 oz rate of Finesse. For growers that want to graze wheat, livestock may graze 7 days following application.

Quelex herbicide will not have a fit on every acre, but if you are planning to double crop, cover crop or just want to keep your options open, it is a good option. If you are interested in trying Quelex, or want more information, please contact your local branch manager or agronomist. As with all herbicides before use, always read and follow label directions.

2019 Dicamba label changes

By Joe Princ

It's hard to believe that 2018 is coming to an end and what a year it has been. I have never seen a fall with this much moisture. With this moisture it has been a very long drawn out harvest. By now I hope that everyone has been able to finish up. As most everyone knows, the EPA has reregistered the dicamba products used for over the top applications on dicamba tolerant soybeans until December 2020. With this reregistration there are once again more changes and some of them are still unknown, but I wanted to inform everyone of the changes that we do know.

The first label change I will address is, in the past, applications of restricted use products could be applied by someone without a license as long as they were working under the supervision of a licensed applicator. Last year Xtendimax, Engenia, and Fexipan were added to the restricted use pesticide list, and now for 2019 can no longer be applied by someone without their restricted use pesticide license. That means that in operations where multiple people are running the sprayer, whoever is going to spray these products needs to have their license. With winter coming I would encourage anyone who does not have their license to get it. If you are looking to use these products and do not have your certification, you can go to your local county extension office and get a book to study. To get certified, an open book test can be completed at your local extension office.

The next big label change I want to talk about is the time frame we have to apply these products. For 2019 we only have 45 days after planting that we can apply

these products. With that restriction, spray records are going to require a planting date along with the date of application to insure it is within that 45 day window. IF you do not own your own sprayer and plan on Midway spraying your soybeans, we are also going to require your planting date information and your signature on the spray workorder. Even with this 45 day window, 2 over the top applications are still allowed on soybeans. The other timing restriction on the label, is the time of day we can spray. We are now limited to times from 1 hour after sunrise to 2 hours before sunset to apply these products to reduce the risk of movement due to inversions.

With these changes we are going to have to manage our records better and use good weed management practices. As we learn of other changes coming, we will be sure to inform everyone so we use these products correctly to avoid as many issues as we can. I want to thank everyone for their business and wish everyone a Merry Christmas.

Petroleum Department

By Terry Zvolanek

Automotive batteries are technological marvels. But for all our dependence on them, they largely are forgotten or ignored – until they fail. For most of the past 100 years, automotive battery development has been slow and steady, with most improvements focusing on longer maintenance free life.

Conventional lead – acid batteries have worked well over the years, but with all the power demands of today's newer vehicles we needed something better.

The battery industry has developed new technology called AGM. AGM (Absorption Glass Mat) sealed battery technology was originally developed in 1985 for military aircraft, where power, weight, safety, and reliability were important considerations.

AGM battery technology has continued to develop and offer improvements over other sealed battery technologies. AGM technology has become the next step in the evolution of both starting and deep cycle sealed batteries for marine, RV, and aviation applications. This next generation technology delivers increased safety, performance, and service life over all other existing sealed battery types, including gel technology.

In AGM sealed batteries, the acid is absorbed between the plates and immobilized by a very fine fiberglass mat. No silica gel is necessary. The glass mat absorbs and immobilizes the acid while keeping the acid available to the plates. This allows a fast reaction time between the acid and plate material.

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The AGM battery has an extremely low internal electrical resistance. This combined with faster acid migration, allows the AGM batteries to deliver and absorb higher rates of amperage than other sealed batteries during discharging and charging. In addition, AGM technology batteries can be charged at normal lead – acid regulated charging voltages, therefore, it is not necessary to recalibrate charging systems or purchase special chargers.

With almost 2 times the endurance in severe service conditions these batteries are equipped for the toughest conditions and the most intense electrical power demands

General Office Update

By Craig Mans

At the November Board Meeting, the board of Midway Coop voted to retire (pay) 5% of your equity. This amounts to over \$1.5 million in total payout. Members will be receiving their checks in December. A reminder that the taxes are already paid on this payout. Thank you for your patronage.

We are mailing out a Domestic Productions Activities Deduction (DPAD) notification. This is a tax deduction that Midway is passing onto our patrons for the grain business ending in our March 31, 2018 fiscal year. This is the notification of the deduction that will show up on your 1099 for 2018. Please consult your tax advisor to maximize your use of this deduction.

CFA has made a change with the monthly statements. For the 2019 crop year, CFA statements will be emailed to you. Please contact me if this is an issue. CFA is accepting applications for the 2019 crop year. CFA offers a competitive interest rate for input financing. The deadline for Wheat applications is March 1, 2019 and the deadline for Fall crops is April 30, 2019. If you are interested in starting a CFA note; please contact me, your local elevator manager, Brian, Jeff, Joe, Tanner, or Wyatt for more details.

October was Co-op month and we want to thank you for your patronage in the company you own. We used the month to promote information and statistics about co-ops in general. This was done through our Facebook page and website. Please follow along to stay up to date on everything Midway Co-op and to win some prizes! We have continued to become more active on our Facebook and website pages. We recently had a harvest photo contest with the winner receiving a \$100 gas card. We had some great pictures and we will have another

contest soon.

I hope everyone has had a safe and bountiful harvest. Merry Christmas and a Happy New Year! Thank you for your business.

The Feed Mill

By Dean Heise

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 avail-

ability is good but there are a lot of low-quality forages being mixed with wet distillers grains so we need all the help we can get to be able to breakdown the roughage. **Alfalfa** has a lot of variability this year on quality and how many times it got rained on before baling this year, don't leave out this option when looking for protein sources and it helps balance the Calcium:Phosphorus ratio. Wet distillers are somewhat of a challenge 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.

We offer many types of ionophores and yeast to meet your various needs: from reducing bloat, increasing feed efficiency, helping forage digestion and utilization, to preventing/treating scours. They can be mixed into complete feeds, supplements, or made into a top dress for specific hand feeding needs.

With harvest wrapped up, many of you will be utilizing stalks. There is a lot of forage there to be used but the digestibility of these stalks is not the best and needs some protein to help utilize it. Our **Golden Feeds** protein tubs are a perfect fit to provide a complete protein and mineral program for beef cattle. Consumptions can be adjusted from $\frac{1}{2}$ lb. per head per day with 35-40 head per tub to 1+ lbs. per head per day with 12-15 head per tub. Salt needs to be fed free choice as the tubs contain no salt.

Mineral's Too Expensive!?!

"I cannot keep mineral in the feeder" is a common saying this fall. With the heavy moisture in late summer/early fall, we have plentiful grass in a lot of the pastures, but the quality is low. The protein and mineral content is lower than normal and livestock is consuming more than usual amounts of mineral.

• See feed page 6



•feed

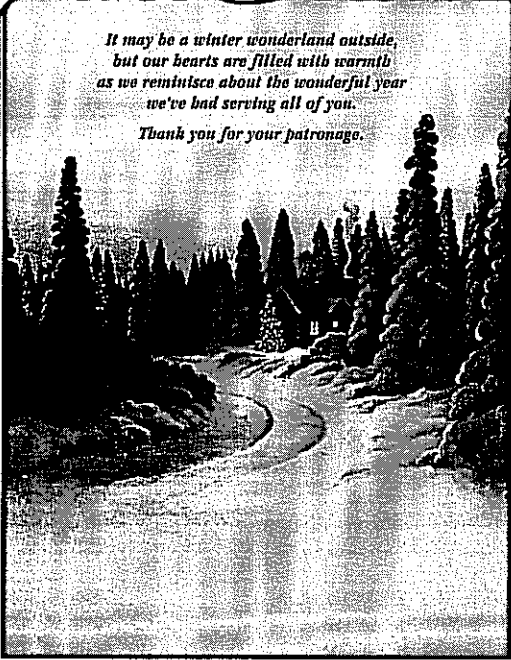
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Make sure they are not craving just salt, if it is easier to take a mouth full of mineral than to sit and lick on a salt block...that may be part of the overconsumption issue. Cows should eat about 1 lb. of mineral each week, if it is over 1.5 lbs., add loose salt to the mineral to slow them down. Don't skimp on mineral during the rebreeding of fall cows or the gestational programming of spring calves. If you can get one more cow bred or one more live healthy calf on the ground with today's prices on weaned calves that would pay for about one ton of premium mineral with chelated ingredients. (Almost enough to supply 40 cows for a year.) I have had many customers tell me that they are getting 80% of their calves within the first 20 days of calving and several have had 100% calve within 45 days. If you would like to tighten your calving window and get more calves on the ground, ask us about Breeder Xtra mineral. Start feeding it 2 weeks before you turn the bulls in and for the next 45 days after, you will be amazed the results in

9 months! I would suggest using it on the bulls 45-60 days before you get ready to use them, so they are at peak performance when you turn them in with the cows. Phosphorus is a key nutrient when it comes to getting cattle bred, make sure that trying to save a couple bucks per bag of mineral doesn't cost you a calf at weaning time.

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.

Thank you for your patronage and please have a Safe and Happy Christmas Season



Greetings of the Season

*It may be a winter wonderland outside,
but our hearts are filled with warmth
as we reminisce about the wonderful year
we've had serving all of you.
Thank you for your patronage.*

MIDWAY
CO-OP, INC.

MIDWAY CO-OP, INC.

DIRECTORY

General Office346-5451

Elevators

Alton.....984-2214
Bellaire.....389-6311
Burr Oak.....647-6661
Downs-Corinth.....454-3411
Lebanon.....389-5311
Luray-Waldo.....698-2311
Mankato.....378-3116
Osborne-Bloomington.....346-5821
Portis.....346-2021

Service Stations/Propane

Lebanon.....389-8561
Luray.....698-2411
Mankato.....378-3233
Osborne.....346-5812

Feed Mill.....346-5441

Seed Cleaning Plant.....Portis.....346-2021
Lebanon.....389-5311

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