



Ursa Farmers Cooperative

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Camp Point - 593-7722 ĩ Loraine - 938-4311 ĩ Bowen - 842-5231

June 2009

MANAGERS REPORT

Since I am writing this report early May and you will not receive it until late May or June. All I can say for now is for you music lovers to stop singing the song "Raindrops Keep Falling On My Head". The point being, as of early May it won't stop raining. I would guess as of May 8th less than 5% of our memberships corn acres have been planted. Last year was a wet year many acres were planted in May, yet we had near record yields. Although as a friend of mine, Tom Bressner of Assumption Cooperative remarked in one of his newsletters, planting corn in May is like roulette, the more times you play roulette, the bigger the chances are that you are going to lose. So, I hope as you receive, this newsletter you have your corn and soybean fields planted.

Emotions and volatility continue to run high regarding grain prices. We saw corn prices last year ranging from \$7.00 June 28th, down to \$2.67 on December 5th 2008. Soybeans on those same dates ranged from \$15.75 to \$7.76. Record production with a troubling economy was blamed for much of this price decline. Early this year the market place was concerned with overproduction now because of wet and late plantings the market place is worried about a lack of production. Once more weather and the economy will be the dominating factors influencing the market price the remainder of this crop year.

Three major events occurred within your cooperative this past year. 1. The flood of 2008. 2. Commodity prices challenging the lending industry. 3. The changing marketplace for Identity Preserved Grains.

I am happy to report to you following the flood of 2008 your company remains healthy, prosperous, and growing. This company experienced the worst flood event within its history last year, much worse than the flood of 1993. As you know, we took a direct hit upon our Meyer elevator causing a 700,000 bushel grain bin to be damaged resulting in the foundation breaking, thus spilling millions of dollars of corn into the flood waters. That resulted in us having that bin taken down this fall. At our Warsaw elevator the wet conditions caused a foundation of 2 concrete grain bins to shift, then collapse, into the levee that was built to protect those same tanks. The result was the loss of all 6 of those concrete bins including the loss of nearly 20,000 bushels of soybeans. Fortunately, we had National Flood Insurance. Although it does not pay for everything, it did cover the majority of those losses.

The largest challenge last year in the grain and feed industry was in fact the banking industry. The extreme

volatility in grain prices challenged the lending industry and its ability to provide capital to buyers. The standard method used for collateral against grain purchases was deemed useless with the high grain prices. Grain buyers large or small could not provide adequate collateral to the lenders so they could get necessary capital as the markets went higher. Grain companies were forced to stop making futures contracts, and were limited to cash grain buying only in many situations. Fortunately your company's lender is the National Banks for Cooperatives, the Co Bank. They are agriculture lenders in general and understood the grain business, the need for capital, and never limited the ability for Ursa Farmers to seek the necessary capital. Many other grain buyers could not say the same and many limited purchases, stopped buying or actually went out of business. The fallout effect of that is capital lenders today are changing the way collateral is figured, this "could" force grain buyers to become more limited if another like event occurs.

The last major challenge of the fiscal year has been the challenges of I.P. grain. The premiums for Non Gmo Corn and Soybeans continued to rise to a level in which the market place actually overpriced itself. The economy played a major role in that process and markets throughout the world could not afford paying high premiums for those commodities with a shrinking economy. Most, if not all-major grain companies were forced to stop paying premiums for Non Gmo Corn and Soybeans. UFC also had to adjust. In fact we remain offering an opportunity to seek a premium for Non Gmo corn as we are paying a 5-cent minimum premium. Yet, we caution, today's process is subject to change if necessary. We continue trying to find buyers of Non Gmo corn, if we are successful; we plan paying an additional premium for those separated bushels in late August. The premium is not known at this time, but we have sold some additional bushels and hope to sell more. More information will follow on this topic as the summer continues.

In closing, please read the information within this newsletter; it will update you on the other departments within your company. We have some really interesting events planned for this summer. Please mark your calendar for the 89th Annual Meeting of Ursa Farmers to be held August 18th, 2009. Thank you to all the membership for your outstanding support during these troubling times and events, and a special thank you to the outstanding group of employees that work for this company.

Gerald Jenkins

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USDA's Cash Rents By Counties

The Illinois Field Office of NASS released the USDA's Cash Rents by Counties. This is a new program for Cash Rents by County that began in 2008. Additional information can be found on the NASS's Quick Stats website.

NON-IRRIGATED CROPLAND CASH RENTS
Illinois, 2008



CASH RENT

Cropland Cash Rent, Dollars per Acre, Illinois, 2008

District and county	Non-Irrigated Cropland Dollars per Acre	District and county	Non-Irrigated Cropland Dollars per Acre
Bureau 2/	185.00	Bond	114.00
Carroll	196.00	Calhoun	1/
Henry	175.00	Cass	168.00
Jo Daviess	159.00	Christian	186.00
Lee	177.00	Greene	164.00
Mercer	164.00	Jersey	164.00
Ogle	180.00	Macoupin	204.00
Putnam 2/	1/	Madison	123.00
Rock Island	162.00	Montgomery	192.00
Stephenson	165.00	Morgan	158.00
Whiteside	177.00	Pike	192.00
Winnebago	145.00	Sangamon	224.00
NORTHWEST	174.00	Scott	1/
		WEST SOUTHWEST	175.00
Boone	157.00	Clark	141.00
Cook	1/	Clay	102.00
De Kalb	180.00	Coles	172.00
Du Page	1/	Crawford	119.00
Grundy	166.00	Cumberland	138.00
Kane	159.00	Douglas	190.00
Kendall	175.00	Edgar	183.00
Lake	1/	Effingham	115.00
La Salle	176.00	Fayette	109.00
McHenry	128.00	Jasper	120.00
Will	142.00	Lawrence	116.00
NORTHEAST	163.00	Marion	92.50
Adams	149.00	Moultrie	213.00
Brown	131.00	Richland	98.50
Fulton	160.00	Shelby	137.00
Hancock	161.00	EAST SOUTHEAST	138.00
Henderson	162.00	Alexander	1/
Knox	179.00	Clinton	116.00
McDonough	195.00	Jackson	1/
Schuyler	175.00	Johnson	1/
Warren	196.00	Monroe	111.00
WEST	170.00	Perry	74.50
De Witt	196.00	Pulaski	1/
Logan	210.00	Randolph	90.00
McLean	190.00	St. Clair	122.00
Macon	211.00	Union	1/
Marshall	181.00	Washington	94.50
Mason	165.00	Williamson	1/
Menard	168.00	SOUTHWEST	96.50
Peoria	170.00	Edwards	1/
Stark	181.00	Franklin	1/
Tazewell	161.00	Gallatin	1/
Woodford	194.00	Hamilton	95.50
CENTRAL	186.00	Hardin	1/
Champaign	196.00	Jefferson	82.00
Ford	170.00	Massac	1/
Iroquois	165.00	Pope	1/
Kankakee	155.00	Saline	1/
Livingston	198.00	Wabash	1/
Piatt	205.00	Wayne	107.00
Vermillion	177.00	White	106.00
EAST	181.00	SOUTHEAST	98.50
		ILLINOIS	163.00

Preventive Planting

Failure to plant the insured crop with proper equipment by the final planting date. You must have been prevented from planting the insured crop due to an insured cause of loss that also prevented most producers from planting on acreage with similar characteristics in the surrounding area. Payment is determined by the amount of insurance per acre multiplied by the rate of 60% multiplied by the number of eligible prevented planted acres in the unit by your share, or that could have been increased to 70% on your application, but that must have been done by March 15th. Min acreage is 20 acres or 20 percent of the insurable crop acreage in the unit, whichever is less. You may plant corn after June 5th/soybeans June 20 for 25 days. The guarantee is reduced by 1%/day until crop is planted. No compensation if you switch to another crop. **If you are prevented from planting - need to leave the land lay idle all year.** Eligible prevented planted acres is arrived at by using the last 4 years planted crop information from each county and using the year with the highest planted acres and subtract the acres that were planted. Contact your crop insurance agent if you have any further questions.

UFC Annual Stockholder Meeting

Mark Tuesday, August 18th down on your calendar for UFC's Annual Stockholder Meeting. A meal will be served and entertainment will be provided following the business meeting. More information will be provided later.

Feed Department

This past summer Don Savage of Sutter, Il was hired to take care of our maintenance department at Ursa. Don takes care of maintenance and repairs at Ursa as well as our locations at Bowen, Loraine, and Camp Point along with supporting Meyer & Warsaw. This winter Eric Leasman of Clayton, Il was hired to do our bag delivery and help with feed manufacturing in the mill. Eric has worked for UFC in the past helping Camp Point at harvest time. Amy Weerts of Quincy, Il also joined us, Amy is taking care of our inventory of feed, seed, and merchandise items in our accounting department, along with supporting our other efforts in the office at Ursa. We hope you have met or talked to our newer employees and welcome them to our team.

Over the winter and this spring we have made several road trips to learn and see other operations to give us ideas on how to improve our operations. We visited two other coops River Valley Coop in the Quad Cities area of Ia & Il, and East Central Iowa Coop in the Waterloo Ia area. We attended Land O Lakes Quality Assurance School, GEAPS conference in St Louis to see the new technology, iron, and services offered to the elevator and feed industry. A safety meeting presented by Illinois Grain & Feed Association in Bloomington Il. Advantage Software conference to share what other people in the industry are doing with the challenges of our industry. Feed Industry Profitability Workshop presented by Kansas State University & Texas A & M to learn how to better optimize feed mill operations. Members of our staff also have attended crop insurance clinics, Ag Clinics associated with the St Louis Ag Business Club, meetings regarding health insurance and retirement issues, GREDF, Inland Waterways Board meetings.

Also this year Roger Sutter's family of Taylor, Mo was named the Quincy Herald Whig's Farm Family of the Year. Which was presented to them at this year Quincy Chamber of Commerce Ag Breakfast. Their family has a contract grower operation for Cargill Pork, which UFC supplies complete feed for. Congratulations Roger and family!!

Our dog and cat food line of products have went thru some changes. Their product lines are now called Red Flannel, which include the Puppy food, Prime, and Hi Pro dog food along with Cat Formula cat food. Also we carry Country Acres Hi Pro 27% Dog Food, 21% Chunk Dog Food, and Cat Food in 20 and 40 lb bags. Stop in at one of our locations for some vittles for those critters.

Last fall we added another semi and trailer to our feed delivery fleet. We now have a 24 ton and a 21 ton semi trailers, and two 12 ton tandem bulk feed delivery units. We currently deliver bulk complete swine feed to about 70,000 pig spaces. Our current total daily tonnage will range from 150 to 300 tons. We manufacture here at Ursa beef minerals, swine and dairy premixes, concentrates, complete swine, beef, and dairy feeds, custom mixes for other animals. We also carry bean meal, corn gluten pellets, soyhull pellets, dried distillers grains (DDGS), and cottonseed hull pellets. Why we even have corn to make feed out of! The plant itself runs about 12 to 15 hrs a day.

Thank you to everyone for their patronage and continued support.

Marketing And IP Grains

Greetings to all in the swamplands of the tri-states. I hope by the time you read this we are making more progress towards planting than we show as I type this the first day of May. At least the markets are reacting to the wet spring weather as cash corn topped \$4.00 and beans topped \$11.00 today. I hope you have some grain left to sell.

The value added grain has suffered the same fate as our economy. We had hoped the premiums would have recovered by now but it looks like demand has not picked up and we are sitting on a burdensome supply. Consequently premiums are less than half of what they were last winter.

Folks you need to be aware that we are doing all we can to get the best premium we can for your Non-GMO corn and soybeans. The final number will not come in on the 2008 Non-GMO corn premium until August. Right now we are guessing it will be between 10 and 20 cents for uncontracted corn delivered after Jan.13, 2009.

Looking at the premiums for the 2009 crop, they will be lower than we anticipated in January. Right now we would guess the premiums will be 25 cents for non-gmo corn and \$1.00 for the non-gmo beans. This is substantially less than what we posted on the Intention forms sent last winter but the market has collapsed since then. We hope for better premiums but that may not happen until the world economy turns around.

Call if you have any questions. Happy planting and best wishes for an awesome growing season.

John Benz

Loraine

As we patiently await this spring season to fully kick into gear, it reminds me of a quote of an ole timer: "you can raise alot more crop in a rainy year than you can in a dry one." Some are fortunate to have some corn planted and some have yet to be able to do anything. If the rainy weather forces you to make changes in your seed needs, we have a good supply of Lewis soybeans. Contact any of the UFC locations. Everyone will be pushing to get the crop in. Please be careful! Enjoy the summer and hopefully we will see you at one or all of the UFC summer events.

DO YOU KNOW THESE PEOPLE?

We are trying to locate the following persons regarding stock in UFC. If you have any information please contact Karen Voss @ 217-964-2111 or kvoss@adams.net. Thanks for your help!

Ronald Ehmen • Golden Rule Farms – Terry Reynolds
Ronald Hodges • Earl Howard Estate • Roberta Hulén
Eric Moots • Richard Prisner • Edgar Schreck Estate
Herman or Marguerite Steinkamp • John Thornton
Ralph Wolf • Orville Yancey Estate • Hildred Smith Trust

BOARD OF DIRECTORS

Richard Gastler - West Point - President
Norris Hinton - Monticello, MO - Vice President
Derry Lynn Schnelle - Ursa - Director
Kevin Schrader - Mendon - Treasurer
Kevin Cary - Canton, MO - Secretary
Joe Zumwalt - Warsaw - Director
Alan Donley - Mendon - Director

Accounting Department

Mark your calendar for our annual meeting scheduled for August 18th and for a dose of upbeat humor by Damian Mason. Damian Mason draws on his agricultural background and unique experiences to deliver an optimistic and hilarious presentation. Damian has a degree in Agricultural Economics from Purdue University. He understands the business of agriculture. Damian's funny stories and witty observations connect with the heart of agriculture – it's people.

Things are looking promising for a profitable year for Ursa Farmers Coop. Our outside investments appear to be doing well as in the past. Flood expenses, higher market prices, and the economy have dampened our profits but we are still anticipating a comfortable profit for the year ending May 31, 2009.

Remember we have the capabilities to process your grain settlement check by ACH directly to your bank account per your request. We can also e-mail you your invoices and are working on the ability to e-mail your grain settlements. If you have questions regarding any of these items, please contact Karen Voss @ 217-964-2111 or kvoss@adams.net.

You can view any of your grain information or purchases from UFC on our web page at www.ursacoop.com. Just click on the Customer Lookup link and use the first time sign on option. All you will need is your customer number and the last four digits of your social security number or federal ID number.

Our daily cash bids are also available on our website. In addition, we can add you to the list of names that receive a daily text message with the

cash bids. We will occasionally send other messages this way regarding unexpected events such as the closing of the Ferry boat, unexpected changes in hours at a facility, or large swings in the markets. Click on the link on our webpage to sign up for this also.

Another feature on our webpage includes the **Ursa Farmers Coop Online Offer Center** that allows you to set the parameters and when your price hits a contract will be made for you with Ursa Farmers Cooperative. If you are interested in more information regarding this please contact John or Peggy in the Ursa office.

Enjoy the summer and check out our summer events in this newsletter.

Karen Voss

Summer Outings

Ursa Farmers Coop. is once again sponsoring a UFC Night at Quincy Raceways. Father's Day, June 21, is the date. Contact your local division for tickets and make a special family day even nicer for Dad.

After skipping last year's golf outing because of the flood, we will be hosting a Customer Appreciation Outing at Great River Road Golf Club. The date is Friday, July 17th. Line up your foursome and call your local division to reserve your spot.

Ferryboat Hours

Monday thru Friday - 7 a.m. to 7 p.m.
Saturday and Sunday - 8 a.m. to 7 p.m.

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