

FSC Monthly Update

August 31, 2009

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THE BEGINNING OF ANOTHER YEAR.....By the time you're reading this we will probably be starting another fiscal year at FSC. As usual, every year is different and presents its challenges and opportunities. I hope you're as optimistic as I that 2009-2010 will have brighter days ahead.

Blue Gard Blowout Special.....Farm and construction equipment is getting larger and has more moving parts. Greasing regularly with Blue Gard 500 is a key part in reducing break-downs and extending the life of wear items. Blue Gard is a premium multipurpose high temperature grease flexible enough for any application, yet tough enough to handle severe conditions.

Harvest is just around the corner and the Energy Department is rolling out the **Blue Gard Blowout Special**. Growers are able to stock up on the premium multipurpose Blue Gard 500 and save with a purchase of 4 - 10 packs. Branches have flyers and displays prominently located to help promote this special. Customers should be directed to contact the Energy Department with questions.



LABOR DAY.....All FSC locations and offices will be closed on Monday, September 7, in observance of Labor Day.

EMPLOYMENT ANNIVERSARIES... The following FSC employees achieve an employment anniversary during the month of August:

Employee	Hire Date	Location
<i>Bryan Blum</i>	<i>8/1/1996</i>	<i>General Office</i>
<i>Robert Heflin</i>	<i>8/11/2008</i>	<i>Transportation</i>
<i>Kenny Crawford</i>	<i>8/15/1994</i>	<i>Denison</i>
<i>Connie Herbold</i>	<i>8/17/1998</i>	<i>Denison</i>
<i>Robert Chapman</i>	<i>8/18/2008</i>	<i>Energy</i>
<i>Garet Wuebke</i>	<i>8/29/2005</i>	<i>Irwin</i>
<i>Robert Bogler</i>	<i>8/31/2000</i>	<i>FSC Computers</i>

Thank you for your years of service to FSC!!



WORKERS COMP AND AUTO CLAIMS.....Through July 31, Bob Bruck reports we still have 7 workers compensation claims and 1 auto claim. Our goal was no more than 7 workers comp claims and 4 auto claims.

FSC Mission Statement:

“Providing quality supplies, services and marketing at a competitive price for the economic benefit of it’s members and their cooperative.”





FSC BOARD CONDUCTS TOUR OF FACILITIES....

On August 12 the FSC Board of Directors took their tour of facilities in the south half of FSC's trade territory. In the picture at right, Steve Jorgensen, Branch Manager, visits with the Board about operations at Atlantic. These tours give Directors an opportunity to inspect the facilities and equipment at each location as well as visit with employees. On September 9 the Board will tour facilities in the northern half of the trade territory.

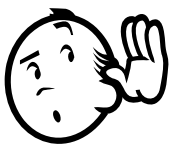
FAC AND FSC GRAIN PARTNERSHIP.....I am pleased to inform you that the Farmers Cooperative Elevator Company (FAC Cooperative) with locations in Arcadia, Schleswig and Westside and FSC have entered into a relationship where FAC will lease the FSC elevators in Denison and Harlan. FAC will provide grain marketing and risk management services to area grain producers and FSC will provide both office and elevator operational functions at the two sites. These changes will take effect on Monday, August 17, 2009.

FSC and FAC have been working together within their respective grain divisions for the past year. This lease formalizes and streamlines the two cooperatives' relationship and provides more extensive and efficient operations for the membership of both co-ops. FAC will provide bids and buy grain delivered to the Denison and Harlan elevators, from on-farm bin sites, and for delivery to area processors (direct-ship), provide warehouse storage, price later programs and all related services.

FAC is planning on accepting soybeans at the Denison and Harlan elevators this fall.

I am excited about the relationship between FSC and FAC. I believe that by partnering in this way, we can provide more services and pricing opportunities at less cost to the members of both of our companies. FAC will also provide a source of high quality corn and pricing programs for FSC feed customers. Remember, cooperatives are in business to serve their members' needs in the most efficient means possible. We think that our relationship helps to meet this objective.

FAC will be holding a pre-harvest producer meeting on Tuesday, September 8th at 6:00 PM at Boulders Conference Center, 2507 Boulders Drive in Denison.



BEING A GOOD LISTENER.....

In our interactions with people throughout the day, listening is the key to understanding the specific needs of others. At times we think we know what the customer wants but many times understanding what the customer wants is most important. Listed below are a few keys to being a good listener:

- Give the customer your full attention and maintain good eye contact.
- Sit or stand attentively, even lean forward at times.
- Ask good open-ended questions (can't be answered with a YES or NO).
- React to the information you are hearing (facial expressions, laughter, nod).
- Do not take other calls during the conversation.
- If interrupted, return quickly with an apology and a summary of the conversation.

A good listener listens to understand what the other person is saying. **Remember you have two ears and one mouth, use them proportionately.**

Demand Capital . . . The interest rate on Demand Capital Accounts and Employee Reserve Accounts will remain unchanged at 2.5% effective September 1, 2009.



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CONTROL CONNECTION CENTRAL.....Earlier this year, Farm Service Cooperative installed Connection Central, which is Control's version of on-line customer account access. During that time, ongoing testing has occurred to make sure it is ready to roll out to the public. Most of the programming changes have been made, and we are tentatively planning on going live sometime during the month of September.

Connection Central will allow customers 24 hour access to invoices, contracts, account balances, and statements from their home computer. Connection Central is a live system, meaning tickets can be viewed immediately after they have been entered into the system. Once set up and testing is complete, we will begin the process of training FSC employees and enrolling customers!

TEST PLOT TOURS.....are informative meetings. These tours are designed to educate the growers on new technology and agronomic practices. This year the leading technology displays are the smart-stack hybrids (corn) and the RR2 yield varieties (soybeans). These new events will change hybrid selection in the near future. Plot tour dates include:

Moorhead– September 1st

Denison– date not yet set

Defiance– September 10th

Oakland– date not yet set

Shelby– September 16th

Here's a comparison of Sales through July. This year's figures includes sales of Leinen, Inc.'s. from December 1, 2008 through July 31, 2009.

	July 2009	July 2008
LP Gas (in gallons)	1,591,279	1,368,651
Gasoline (in gallons)	288,862	254,433
Fuels (in gallons)	2,816,569	2,506,048
Cardtols (in gallons)	845,381	907,409
Bulk Oil (in gallons)	52,255	44,800
Feed (in tons)	30,603	38,187
Feed Service (in dollars)	284,458	547,040
Dry Fertilizer (in tons)	18,922	26,073
Liquid Fertilizer (in tons)	16,846	12,452
NH3 (in tons)	18,298	18,653
Ag Lime (in dollars)	1,718,321	1,279,963
Agronomy Application (in dollars)	2,860,633	2,413,550
Grid Sampling (in dollars)	382,897	329,712
Seed Corn (in Bags)	20,409	24,743
Seed Beans (in bags)	53,189	56,696
Tires (in dollars)	448,624	547,776
Computer Sales (in dollars)	836,587	947,356

Have a great September!

Gary



