



FARM SERVICE COOPERATIVE

IDA GROVE

DEFIANCE

SHELBY

MOORHEAD

IRWIN

OAKLAND

Farmline

DENISON

HARLAN

ATLANTIC

PORTSMOUTH

JULY 09

WWW.FSCOOP.COM

Thanks For Your Support and Loyalty

BY GARY JAHN, GENERAL MANAGER



It's always a great time to be a resident of Iowa. Even though we sometimes have to go through long, cold winters, spring, summer, and fall are our rewards. It's especially great this time of year—when you can

drive down the road, looking at the rows of growing crops, and already anticipate fall harvest.

When spring finally broke this year, it was a hectic season for both producers and FSC. We all knew the challenge we faced to get a huge supply of product applied, given the fact that our fall was cut short due to weather conditions. In addition, we had fertilizer pricing and supply issues to work through. On behalf of the FSC Board of Directors and employees, I'd like to thank our stockholders and customers who showed their continued loyalty and support and saw FSC through this spring season.

In the last newsletter I talked about change and it still continues on. In January, you received a letter announcing that FSC had purchased Leinen, Inc.

of Portsmouth. This progressive agronomy business fits very well into FSC's trade territory. Inside you will find more information about this business which is now a wholly owned subsidiary of FSC.

Also, in April you were advised that FSC has a working relationship with Farmer's Cooperative Elevator Company (FAC) of Arcadia—we teamed up to work together within our respective grain divisions. We're very excited about this and we feel the combination of the joint efforts from both cooperatives will ultimately benefit our customers. Tom Grote, FSC's Feed/Grain Division Manager will give you more details on the back page.

In this issue you will also find information on FSC's website, www.fscoop.com from Pam Borkowski. FSC's website has been in existence for approximately eight years. Each FSC division and location is featured. The Grain Bids tab is a link to the grain bids for FSC and FAC locations. In mid-summer we will be adding Connection Central to the home page where you can get an up-to-date copy of your account, contracts, and more with FSC.

Hope you have a great summer and a bountiful fall! ♦



The Importance of Making the Right Match



PAUL LEINEN JR.



JOSH LEINEN

In January of 2009, FSC stockholders were notified by FSC's Board of Directors that FSC had purchased the business of Leinen, Inc. of Portsmouth. The intent of the letter to the stockholders was to let them know of FSC's investment in Leinen's. In this article, we wanted to give you a little more information about the business and provide some pictures so you can see why the FSC Board felt this first-class business would be an asset to FSC.

Leinen, Inc. is now a wholly owned subsidiary of FSC but the business will continue to operate under the Leinen name. Paul and Josh Leinen, previous owners of the business, will continue to work for the organization.

Leinen, Inc. was started in 1954 and has established a very solid customer base. The Leinens have thrived over the years as customer service has long been the focus of their business.

Regarding their sale to FSC, Paul Leinen

stated, "It's a deal that has been in the works for some time. FSC was selected as the preferred buyer because they are a well-respected company that has been in the agronomy business as long as we have. The ever-changing landscape of production agriculture made the continued operation of a one-location, singularly focused enterprise more and more challenging. The ever-increasing capital needs required to keep equipment and facilities in top condition to service our customer base is also proving more difficult in today's economic and financial environment."

Leinen's provides dry and liquid fertilizers, anhydrous ammonia, ag lime, seed, chemicals, and custom application. A well-maintained fleet of application equipment and tenders is always ready at a moment's notice when product needs to be delivered.

The most recent improvement to the business was the addition of a seed/chemical building which is used for seed storage and a shop. In addition, the building has 40,000 gallons of stainless steel chemical storage which can be loaded onto tenders inside the building.

Leinens also have a modern liquid fertilizer plant which holds 3,000 tons of liquid nitrogen. A computerized load-out system adds speed and efficiency.

If you're ever passing by Portsmouth, stop in and say hello to the folks at Leinen's! ♦



WWW.FSCOOP.COM — Your Link to FSC!

BY PAM BORKOWSKI, WEB MASTER



Today we live in a world where we want information and we want it now. FSC recognized we needed to have that instantaneous connection with our customers when we first started our web page eight years ago. We moved to our current format three years

ago. FSC has always maintained its web site internally. Our goal is to give our web page that personal touch, not the cloned version you see on many web sites.

Our web page is a work in progress as divisions within FSC are constantly updating information of interest to our customers. Our home page most recently announced items such as election results from the annual meeting, FSC's purchase of Leinen, Inc., the working relationship between the grain divisions of FSC and Farmer's Cooperative Elevator Company in Arcadia, and a link to information from the National Pork Producers when the H1N1 was in the news.

Seasonal links are also provided to Planting Progress Reports and Soil Temperatures as well as a link to FSC's 4-H Incentive Program. Current weather and forecasts are also provided.

Obviously, we have the links you would expect to find to all divisions and locations within FSC. In addition, we have links to FSC Computers located in Harlan and Tires, which are serviced out of our Irwin location. Our Grain Bids will take you to the bid sheet for grain which can be delivered to FSC or FAC locations. A link is also provided to the Chicago Board of Trade.

Other entities of FSC—namely Leinen, Inc. and Progressive Nutrition—also have links to their web pages.

If you're looking for a piece of equipment or have an item for sale, please look at the Farm Equipment Trader.

As you view our web page, please let us know if there's any additional information we can provide for you. Thanks for checking us out! ♦

Do We Have Your E-Mail Address? You Could Win a Computer!

FSC would like to be able to contact its customers when we feel we have an item of interest for them—whether it's a tire sale at Irwin, test plot dates, lube oil sales, an insect infestation, a computer virus, or whatever the case might be. These notifications would be done ONLY when the need arises. We do not intend to flood your email every day as some businesses do. But in order to efficiently contact you, we would need your email address.

For anyone who provides us with their email address by August 31, 2009, we will put their name in a drawing for a Dell® laptop computer. Simply send your email address to FSC by going to the link on our homepage at www.fscoop.com and we will put your name in the drawing. The winner will be notified during the first week of September.

FSC WILL NOT give out or sell your email address. Also, FSC employees, directors, and their families are excluded from the drawing for the laptop. ♦



SHARE YOUR EMAIL ADDRESS TO WIN A COMPUTER!

- SUBMIT YOUR EMAIL ADDRESS TO FSC BY AUGUST 31, 2009
- YOU'LL BE ENTERED IN A DRAWING FOR A DELL LAPTOP COMPUTER
- THE WINNER WILL BE NOTIFIED THE FIRST WEEK IN SEPTEMBER
- EVERYONE WINS... THANKS TO TIMELY INFORMATION FROM FSC



**2308 Pine Street
Harlan, IA 51537**

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**THE IMPORTANCE
OF MAKING THE
RIGHT MATCH
..... PG 2**



A New Grain Relationship

BY TOM GROTE, FEED AND GRAIN DIVISION MANAGER

Competition is a good tool to have in the marketplace. However, two neighboring co-ops have found a way to work together to improve the grain marketing and price discovery for the local grain producer. It's the kind of thing farm neighbors have always done—you have a grain vac and your neighbor needs one—you work out some sort of mutually advantageous arrangement.

It's like that with our cooperative and FAC. By tapping into the marketing skills of their grain manager, we're able to get access to vital expertise without expanding our own workforce. School systems all across Iowa have seen the advantage of sharing and so have we.

Operations at our facilities in Harlan and Denison will continue unchanged. The same FSC employees will run those facilities. Sue Graeve, from the Harlan location, is available to handle your grain and marketing questions. Seeing that local FSC customers get the most for their grain and the logistics involved with transporting the grain is Sue's main responsibility.

What is different is the way prices are set. Bill Bluml and his staff in Arcadia are keeping a close eye on all markets in our area to ensure we offer you a very competitive bid. We're confident of Bill's ability to position our customers for profitable marketing.



You can view his bids constantly refreshed on our web site (fscoop.com) with only a 10-minute

delay. When you're ready to market, just be sure to double-check the online bid with Sue in Harlan. (If you want, you can also request bids as text messages on your mobile phone—assuming it is text-ready.)

As you watch those daily bids, you'll get the sense that some locations post a lower price than others and you may ask why. The need for corn is only as good as the ability to move it through the demand chain. If we do not use as much corn in Harlan as in Arcadia, for instance, we can't bid the same price for it. If we have to move corn from Harlan to Denison for feed mill use, we need room in our bid to cover the trucking cost. To remain a viable service to its shareholders every cooperative needs to make money.

You need to make money, too. So you'll be happy to know FAC is also extending its risk management services to all FSC customers. These include market consulting, risk-management planning, crop insurance services, and commodity brokerage services. If you're interested in taking full advantage of this new arrangement contact Sue at FSC and she will arrange an appointment for you with Bill Bluml, Whitney Bluml, or Nate Fara at the Arcadia office. ♦

