

SALE OF PROGRESSIVE NUTRITION.....



On May 31, 2013 FSC sold it's 35% interest in Progressive Nutrition to Cargill. This is a project which we've been working on for the last 15 months when Cargill first approached us about their interest in PN.

To refresh your memory, PN was an LLC which FSC established with North American Nutrition Company in 2003. Tom Trotter has been the General Manager of PN since its inception. FSC had three other employees, Lisa Jones, Kelly Graber, and Russ Moeller, who we leased to PN, just as North American Nutrition had 4 employees they leased to PN.

During this entire time FSC's Harlan feed mill has been manufacturing feed for PN. This was part of the arrangement when the LLC was established and it kept our feed mill more than busy.

Even though we've sold our interest, FSC will still manufacture feed for PN at the Harlan Mill through December 31, 2013. On July 1, 2013 Tom, Kelly, and Russ will become employees of Cargill. Lisa will remain an FSC employee but will do work for Cargill until December 31, 2013. At that time Lisa will devote her talents to FSC. Tom and Lisa will continue to have their offices in the Harlan General Office.

PN has been a great success, starting from virtually nothing to what it is today. However, the timing was right and this was a prime opportunity for FSC and Cargill to get together on this sale. Please extend your congratulations and gratitude to these employees. If you don't see them face-to-face, I'm sure they would appreciate a phone call or even an email.

IMPROVEMENT PROJECTS.....

This summer we'll have a couple of improvement projects underway. We've leveled the NH3 site at Schleswig in preparation for improvements there. We will be installing an additional 30,000 anhydrous tank, a new riser, a new 80' scale, and the scale house which was used at Defiance. This project will be completed for use this fall. Shelby will also see the installation of an additional 30,000 anhydrous tank. This project will be also completed this summer, ready for fall use.

We have a few other projects we're working on but those details are not complete at this time so are not ready for publication.

BOARD TOURS.....

In August the Board will be taking their tours of the FSC facilities. The south tour is scheduled for Monday, August 12; the north tour for Monday, August 19.



JULY 4TH.....All offices and facilities will be closed on Thursday, July 4, in observance of Independence Day.

NEW HIRES..... Derrick Klahn was seasonal in Oakland in agronomy operations until going fulltime June 5th. Welcome to FSC, Derrick.



EMPLOYMENT ANNIVERSARIES.....

The following FSC employees achieved an employment anniversary during the month of June:

| Employee | Hire Date | Location |
|---------------|-----------|-----------------------|
| Angel Jepsen | 6/2/10 | Denison |
| Chris Behrens | 6/6/05 | General Office |
| Russ Mueller | 6/14/99 | Progressive Nutrition |

Thank you for your years of service to FSC!!



CONTRACTING / SUMMER FILL..... The propane contracting season is under way at FSC. To get current pricing contact the Energy division, Doug Svendsen or Kenny Crawford. Summer fill runs now through August 31. We have a couple of options when contracting Propane-(BBP) budget bill program which allows for even payments all year, regular contract , keep full, & corn drying . All contracts will be routed. Drivers are Matt Steinkueler for the north route and Alan Hartwig for the south route. They will be out doing safety inspections and summer fills the next few months. All FSC propane customers will receive a propane safety Brochure informing them what to do with a propane issue. For more propane safety information please go to web site www.usepropane.com.

SUMMER GRILLING SAFETY....With the outdoor grilling season upon us, FSC wants you to know the importance of taking safety precautions while enjoying this popular American tradition. Even when having summer fun, people need to remember that propane can be dangerous. Go to www.iapropane.org/small-cylinder/ to review basic grill safety. Refer this site to your customers and you may save them from a costly or dangerous accident this summer. FSC locations refill all sorts of propane tanks, from grill cylinders to #100 lb. construction tanks to forklift cylinder. With any questions regarding all sizes of propane cylinders contact Doug Svendsen at 402-981-2345, Kenny Crawford at 712-269-0661 or the Energy Office at 712-235-9550.

LEZAGE SAFETY TRAINING.....

| Location | % Complete | Location | % Complete | Location | % Complete |
|------------|------------|----------------|------------|----------------|------------|
| Moorhead | 100% | Atlantic | 96% | FSC Computers | 100% |
| Denison | 87% | Oakland | 94% | Shelby | 100% |
| Defiance | 100% | Energy | 90% | General Office | 60% |
| Irwin | 99% | Transportation | 15% | Harlan | 95% |
| Portsmouth | 60% | Maint/Fleet | 70% | | |

BRAG BOARD

Jan and George Applegate's Daughter, Kara was married June 15th, to Jon Meiners in Harlan.

| County | City | Dates | County | City | Dates |
|-----------|-------------|------------|------------------------|-------------------|-----------------|
| Shelby | Harlan | July 7 -15 | Crawford | Denison | July 24-29 |
| Carroll | Coon Rapids | July 10-14 | Cass | Atlantic | July 24-31 |
| Monona | Onawa | July 10-15 | Sac | Sac City | July 25-28 |
| Ida | Ida Grove | July 17-21 | Audubon | Audubon | July 25-29 |
| East Pott | Avoca | July 17-22 | Woodbury | Moville | July 31- Aug 4 |
| Harrison | Mo. Valley | July 23-28 | Iowa State Fair | Des Moines | Aug 8-18 |





Here's a comparison of sales volumes.

| | May 2013 | May 2012 |
|-----------------------------------|-----------|-----------|
| LP Gas (in gallons) | 1,213,358 | 887,528 |
| Gasoline (in gallons) | 339,042 | 640,414 |
| Fuels (in gallons) | 2,251,956 | 2,967,847 |
| Cardtrols (in gallons) | 670,739 | 698,491 |
| Bulk Oil (in gallons) | 61,934 | 68,834 |
| Feed (in tons) | 14,039 | 17,595 |
| Dry Fertilizer (in tons) | 50,699 | 47,650 |
| Liquid Fertilizer (in tons) | 12,087 | 14,618 |
| NH3 (in tons) | 24,092 | 24,494 |
| Ag Lime (in tons) | 67,264 | 64,875 |
| Agronomy Application (in dollars) | 3,404,679 | 3,513,752 |
| Grid Sampling (in dollars) | 455,798 | 405,318 |
| Seed Corn (in Bags) | 18,894 | 20,079 |
| Seed Beans (in bags) | 20,567 | 35,831 |
| Tires (in dollars) | 586,247 | 642,084 |
| Computer Sales (in dollars) | 498,647 | 542,153 |

DEMAND CAPITAL.....The interest rate on Demand Capital Accounts and Employee Reserve Accounts is currently at 2.5%

QUOTE OF THE MONTH.....

A smile is the light in your windows that tells people you are at home.