

NEW VISION

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Brewster: Court Baumgard
Mark Eisfeld
Melanie Krumbach
Cullen Walser
Denny Weber
Heron Lake: Jared Knips
Gerald (Berr)
Hubbling
Hills: Craig Vreeman
Andy Krueger
Dave Leenderts
Jeffers: Clay Walser
Lismore: Kyle Wiese
Blake Rogers

Feed

Brewster: Brenda Appel
Randi Colby
Neil Cuperus
Al Prins
Bob Prins
Grant Prins
Micah Rupp
Paul Smit
Jeff Schutz
Brooke Zins
Magnolia: Nate Stamer
Windom: Scott Scholtz
Worthington: Shad Jacobs

Grain

Adrian: John Palaschak
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Sue Paulzine
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Ellsworth: Alex Maldonado
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Magnolia: Chad Cauwels
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Miloma: Wayne Hartwig
Mt. Lake: Phil Bahr
Reading: Glenn Crowley
Wilmont: Becky Remakel
Windom: John Damm



Manager's Report

By Frank McDowell, CEO

The Annual Meeting and reception for six New Vision retiring employees went extremely well. Over 250 attended and the audit report was delivered electronically thanks to the equipment at the Worthington Event Center, the skills of Dean Knips and Michael Heidelberger (New Vision's IT Department) and SKYPE.

Here's a summary of the comments I made during the Annual Meeting:

New Vision completed approximately 30 million dollars of investments and leases in fiscal year 2016-17. These include;

The new Hills agronomy plant is featured on the front cover of the Annual Report. The plant has 12,000 tons of dry fertilizer and 900 tons of liquid fertilizer storage and is capable of mixing and impregnating 350 tons of dry fertilizer per hour. The dry fertilizer receiving and blending equipment was in-service October 23 and has worked extremely well.

The Cargill facilities are featured on the back cover of the Annual Report. These locations add approximately 2.5 million bushels of elevator space, over 5.5 million bushels of bunker space, 10,000 bushel per hour drying capacity, a 110 car shuttle loader at Miloma and 75 car loader at Marna.

I also addressed some of the members' questions regarding the Cargill purchase. I received a few questions about why Cargill decided to sell, why New Vision decided to buy and the price, but most comments were concerned about the loss of competition.

I do not know why Cargill sold these elevators but I would guess they determined they could replace the lost grain origination through facilities in different states or countries and the proceeds they received from the sale could be invested somewhere in their company for a better return. New Vision bought these elevators because they fit our traditional business and trade territory, the elevators are in good condition, we need the employees due to retirements and spring season demand and their locations provide access to new grain markets at Fairmont and east. Due to confidentiality language that binds both companies, I cannot say how much these elevators cost. I can tell you the budget price to build a new, 110 car shuttle train elevator is approximately thirty million dollars. I can tell you that your Board of Directors did their due diligence and purchased these facilities expecting them to add value to all of you.

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By far the most comments express a concern about the loss of competition. On the surface, this is easy to understand but there is more to it. It's my opinion that competition matters twice in the life of every cooperative. The first time is when it was formed. Let's turn the clock back to the early 1900s. All these cooperatives were independent, individual, local businesses that eventually would become what is now, New Vision Coop:

Farmers Elevator Co., Mt Lake (1901), Hills Mercantile, Hills (1902), Farmers Elevator Co, Heron Lake (1904) and Jeffers (1904), Cooperative Elevator Company, Windom (1905). 1907 – 1919 Farmers Elevator Company Beaver Creek, Lismore, Org & Wilmont, Farmers Coop Co., Worthington & Brewster, Co-operative Grain Company, Adrian, Farmers Coop, Reading and Cooperative Company, Dundee. Ellsworth was formed in 1953 when a group of farmers bought out the Fred Elfline Elevator.

Select any one of the elevators listed and they will share these things in common:

- Railroad service
- In the early 1900s the grain business and bids were controlled by privately owned elevators
- Farmers wanted more control over the grain business
- Farmers committed their own money to buy stock to start these cooperatives

The first step they took was a horseback or buckboard ride to their neighbors to sell stock for \$ 10.00 to \$ 100.00 a share to capitalize the new cooperative. In every example above, one of two things happened:

In most cases, the cooperative founders bought the private elevator in town. In the rest, the founders built a new elevator and eventually bought the private elevator out within four years. The privates that held on, eventually sold out to the newly formed cooperatives, resulting in less competition.

In these early days competition mattered but not in a way we would expect. Farmers organized cooperative elevators to eliminate competition so farmers could gain control of grain marketing. This was a driving force during the early years. Farmers recognized the value of ownership through greater control and better grain bids. Farmers provided the equity to start and operate these early cooperatives.

So, when is the second time competition matters? In my opinion, the second time competition concerns surface is

during a merger or acquisition. It's understandable why members feel strongly about competition but supporting evidence is difficult to find. The simple fact is, competition is everywhere, especially in the grain business. Farmers are more informed, have more markets, are more mobile and are better marketers than ever. Here's a fun fact: The Cargill acquisition will increase New Vision's grain market share to approximately 28%. Your cooperative has to have competitive prices and policies to earn your grain business. New Vision has the lowest grain drying charges, no minimum storage cost and averages moisture within maximum limits. These are little things that deliver great value to you and have not changed since the Cargill purchase. The cooperative business model also provides protection against the loss of competition. The Directors you elect control capital investment, annual budgets, patronage, equity retirements and policies. Their oversight protects each members' interests every day.

Competitive concerns are understandable but for over forty years of working in agriculture, I have not seen a better deal for farmers than the cooperative business model when it's managed well. I believe these elevators will provide better customer service, improved market access and add to New Vision's spring workforce which will benefit all of you. It's up to your management and employees to manage these elevators well and I have no doubt they will. I would like to thank the Directors for their decision to acquire these facilities. They will create value for every New Vision Coop member for many years to come.

A reception was held at the conclusion of the Annual meeting to recognize six employees celebrating their retirement from New Vision. I would like to thank Marlis Einkopf, Nelva Behr, Sue Nau, Jean Hoffman, Jim Westerman and Roger Polzin for their years of service and all their contributions to New Vision Coop. I am grateful for their effort and will miss the example they set and their commitment to New Vision. Thank you!

While the snow and cold are in the news, your employees are picking up grain piles and loading trains, manufacturing and delivering feed and unloading fertilizer and repairing equipment for spring season. Yes, spring season! It arrives sooner every year so take the time to build a plan now to save time when planting starts.

On behalf of New Vision Coop's employees, thank you for your support.



Board Room News

By Tim Hansberger

Hello! My name is Tim Hansberger and I am the new Chairman of New Vision's Board of Directors. Prior to serving on the elected Board I served on the Advisory Board for three years. This is my eighth year serving on the elected Board of Directors and fifth year on the Executive Committee. I served two years as Secretary-Treasurer and two years as Vice-Chairman. I farm with my father, Steve Hansberger, north of Worthington. My wife Susan, our two sons and Susan's father Craig, help make sure all the farm work gets done on our corn and soybean operation. In addition to the grain operation, I sell crop insurance, am involved at my church and coach our youngest son's hockey team. The 2018 Executive Committee also includes Chad Wieneke, Vice-Chairman and Matt Gohr, Secretary-Treasurer. Please feel free to contact me or any board member with your questions or comments.

Thank you to everyone who attended our Annual Meeting. If success is measured by attendance it was a great meeting! There are many times I think the only constant in agriculture is change and this year's annual meeting was no exception. New Vision's Directors decided to relocate the annual meeting to the Worthington Event Center in order to accommodate the Retirement Reception Event. Your feedback regarding the change of venue has been very positive. Your comments recognized improved parking, meeting space, visibility and the ability for the audience interaction with the speakers. Another change for New Vision was having our auditor give the financial presentation via SKYPE. This presentation format worked without any problems. When technology works it is a powerful tool! I think the audit presentation went well and people said they were able to see and understand the presentation. The final change is the retiree reception that followed the annual meeting. We recognized six retirees at the reception. I want to thank them all again for their years of service to New Vision and the co-op system. We would not be where we are today without their efforts. I know it's early but the Worthington Event Center has been reserved for next year's Annual Meeting on December 10, 2018. Mark your calendar and plan to attend!

At our December 27th board meeting, we missed Gene Metz and Jim Eigenberg. I want to recognize them for their years of service to New Vision and thank them for their wisdom and perspectives. They will be missed. We welcomed Brian Penning to the Board. Brian is representing a newly created at-large seat. New Vision Co-op currently has nine members on the board of directors. We expect this number will allow us to have representation from across our territory and create an environment where opinions can be shared and meetings run effectively.

Thank you to everyone for your business and support of New Vision Co-op. I know our grain, feed and agronomy departments work hard to bring you service and value every day and would love the opportunity to earn more of your business. We look forward to working with you in the new year.

Job Openings

Current open positions at New Vision:

- Agronomy Site Supervisor – Jeffers
- Custom Applicators – Brewster, Jeffers & Lismore
- Feed Production Technician – Windom (day shift) & Worthington (night shift)
- Feed Sales – Brewster
- Grain Scale Operator – Heron Lake
- Shuttle Site Supervisor – Heron Lake
- Truck Drivers –Magnolia & Worthington

For an application, go to: www.newvision.coop. You can also contact Katie Meyer in Human Resources at 507-842-2021 or kmeyer@newvision.coop.



HACCP

By Darren Ponto

I hope you all had an enjoyable holiday season with family and friends! During the week of December 11th, 2017, all three of the New Vision Coop Feed Mills had their annual HACCP (Hazard Analysis Critical Control Points) and for RUPP (Restricted Use Protein Products) audits conducted by third party inspectors. These are full day audits at each facility. The audit is an intense 18 page list that evaluates all of the Food (Feed) Safety Controls that each facility has in place along with requirements that the FDA has set through CGMP (Current Good Manufacturing Practices) Regulations and through FSMA (Food Safety Modernization Act). All three mills passed their audits with outstanding scores!

The HACCP certification means that all mills have been evaluated to know what potential chemical, physical and biological hazards could potentially affect the safety and quality of our finished (manufactured) products. Once these control points have been (defined and identified), we must have documented protocols and standard operating procedures in place to control or eliminate those potential hazards from happening at each facility. This program also provides our staff with documented Standard Operating Procedures for each process at each mill. This provides a key training tool and a baseline to ensure quality products are used (in New Vision's feed manufacturing process for our customers on every load).

Another key part of the HACCP Program requires that we monitor all of the vendors that supply ingredients to our facilities. This process is our "Approved Supplier Program". This process means that we evaluate our suppliers to assure that they have effective quality control programs in place similar to New Vision's programs. It also means that they must, at a minimum, have third party certifications in place at their facilities as well and other key components to ensure a consistent supply of safe, quality ingredients for New Vision's feed mills.

The RUPP certification is also tied to food (feed) safety. This certification is directed at monitoring our use of cattle materials prohibited in animal feed. New Vision feed mills do not handle or store any Cattle Materials that are prohibited in animal feed. This certification means that (New Vision's mills/those facilities) have the proper protocols and procedures in place to ensure that we do not allow those materials into any of our facilities.

The final ruling of FSMA does not require feed mills to have a third party certified process, but it does require the mill to have a food (feed) safety program in place and that the program is run by qualified individuals at each facility. FSMA also requires that the qualified individuals at the facility receive training through an FDA approved curriculum. This training has been completed and in place at your feed mills for almost two years.

As you can see, your feed team invests a lot of hard work and dedication into providing consistently high quality, safe feed to our customers. These certifications can give you, our customers, confidence that we are doing our very best every day to make that happen on every load delivered to the farm. Maintaining these certifications at the feed mills will ensure that your company will continue to provide the service and value every day that you have come to expect from your feed team.

Thank You New Vision Feed Customers

As you all know things move slower in the winter, especially with the extreme cold we have been experiencing. We would like to take this opportunity to say thanks to those of you that have done a great job getting your feed ordered in a timely manner. Your early orders help us schedule incoming ingredient and feed deliveries which helps offset operating inefficiencies due to cold weather. This is especially true with the recent cold weather and holiday shortened weeks.

Thanks to those of you that make it a priority to get your bulk bins fixed up and numbered. Having the ability to identify bins to insure accurate delivery and the drivers having the ability to open and close them in a safe manner is good for all of us.

Thanks again,

New Vision feed department



Cold Weather Cattle Care

By Micah Rupp

With the coming of the New Year also comes some of our coldest temperatures of the year. It is important to make sure that you are doing everything that you can to help your livestock deal with these low temperatures. There are a few things you can do to keep your cattle performing. The first is the most obvious. Make sure they can get water! I'm not only talking about keeping the water fountain thawed out, but also to make sure that there is enough space for the cattle to drink. If the fountain has thick ice buildup all the way around the lip of fountain you may need to consider breaking it up to provide more access. Make sure the cattle are well bedded and that the bedding is dry. To defend themselves from the cold your cattle need to have a dry hair coat. You also want to check that you are

feeding the correct ration during the winter. The cattle will burn far more energy in the cold weather and need those extra calories. Not only do they need more calories, but adequate fiber is even more important to have in the ration when it is cold. Along with feeding the proper ration for the conditions you want be sure you are feeding enough of it. Cattle intakes will normally increase during cold weather and you want to keep up with their needs. It is also equally important to be mindful that you don't increase too quickly and get ahead of the cattle especially if the temps turn around and intakes decrease a bit. If you need any help making sure that your cattle are ready to face the cold winter feel free to contact your New Vision Representative. We would be happy to help.



NEW VISION COOP GRAIN MARKETING MEETINGS Jan 15TH - 22ND, 2018

<u>DATE</u>	<u>TIME</u>	<u>LOCATION</u>	
1/15/18	MON	9:00 AM	NEW VISION CO-OP, BREWSTER MAIN OFFICE
1/15/18	MON	1:00 PM	NEW VISION CO-OP, BREWSTER MAIN OFFICE
1/16/18	TUE	9:00 AM	COTTONWOOD CO. HISTORICAL SOCIETY, WINDOM
1/16/18	TUE	1:00 PM	NEW VISION CO-OP, BREWSTER MAIN OFFICE
1/17/18	WED	9:00 AM	GRAND PRAIRIE EVENT CENTER, LUVERNE
1/17/18	WED	1:00 PM	WILMONT COMMUNITY CENTER, WILMONT
1/18/18	THUR	9:00 AM	AMERICAN LEGION, GARRETSON, SD
1/22/18	MON	9:00 AM	AMERICAN LEGION, JACKSON, MN (ALPHA)
1/22/18	MON	1:00 PM	HAMILTON HALL, BLUE EARTH, MN (MARNA)

Please RSVP for the meeting of your choice to:

Jim	507-842-2018
John	507-842-2017
Nathaniel	507-842-2011

THANK YOU

Adrian (507) 483-2110 Alpha 507-847-4162 Beaver Creek (507) 673-2388 Brewster (507) 842-5944 Dundee (507) 468-2416 Ellsworth (507) 967-2565
Heron Lake (888) 792-2301 Hills (507) 962-3221 Hills Terminal (507) 962-3243 Jeffers (800) 882-9772 Lismore (507) 472-8233 Marna 507-943-3345
Miloma 507-793-2328 Mt. Lake (888) 427-2423 Reading (507) 926-5185 Wilmont (507) 926-5141 Windom (888) 294-6366 Worthington (800) 657-3200

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