

# FARMERS UNION OIL COMPANY

**TOWNER**



**RUGBY**



**WOLFORD**

**SPRING 2009**

**VOLUME XXX**

## Greetings to one and all in 2009

Here we are facing the year 2009! Where does the time go! It seems like time goes by faster and faster every year. The start of 2009 is no different. Farmers Union Oil Company is in the process of remodeling and building a state-of-the-art agronomy center east of the existing fertilizer plant in Rugby. We will have an open house later this month allowing you to see the facility. Everyone is welcome!

Farmers Union Oil Company of Rugby/Towner/Wolford had a very profitable year in 2008. Sales topped \$47 million, in which your company continues to grow. \$1.1 million will be distributed in patronage with \$407 thousand, which represents 30% cash. The board of directors has also authorized a stock payout as we have done in the past to retire all stock over the age of seventy years of age or older. This represents another \$187,000. As the year progresses, your board will look at more stock distribution options.

As you read this newsletter, you will notice

some changes in the agronomy department staff as to what the responsibilities are for those employees. More changes will occur in other departments as the year moves on.

Thank you so much for your support of your co-operative. With the ongoing commitments from you, we will be able to address the diversity it takes to make the necessary changes heading into the future. You are always welcome to stop in and visit with questions or concerns.

Have a wonderful and prosperous 2009!

Cooperatively yours,  
Tony Bernhardt, General Manager  
Farmers Union Oil Company  
Rugby/Towner/Wolford

PS - Please take advantage of our web site. The address is [www.rugbyfarmers.com](http://www.rugbyfarmers.com)

## NOTICE OF ANNUAL MEETING

### Rugby Farmers Union Elevator AND Farmers Union Oil Company

NOTICE IS HEREBY GIVEN that the JOINT ANNUAL MEETING of the Rugby Farmers Union Elevator and the Farmers Union Oil Company will be held Thursday, March 26, 2009 at the Rugby High School Auditorium.

Our special guest speaker will be Leon Westbrook, Executive Vice President and Chief Operating Officer of CHS Energy.

#### **Supper served 6 to 7 p.m. Meeting immediately following.**

- Annual audit reports
- Election of three (3) directors - Farmers Union Elevator
- Election of two (2) directors - Farmers Union Oil Company
- Any other business to properly come before the meeting.

BY ORDER OF THE BOARD OF DIRECTORS  
Brian Blessum, Secretary - Farmers Union Elevator  
Marie Marshall, Secretary - Farmers Union Oil Company



## Rugby Agronomy Department

This winter has been one to remember, but I am anxiously looking forward to it coming to an end. So it is with spring in mind that I wanted to call your attention to some of the other services that area growers can look to us for in the coming crop year. Our new agronomy location will enable us to go about our business in a more efficient manner as well as simplify things for our growers.

With that said, often times some of the more challenging decisions come into play long before picking up the pesticides you plan on using. We can help you by either scouting your fields to determine how they are to be treated or by monitoring your fields to head off any problems before they arise. Scouting and monitoring may sound the same, but monitoring is an agronomist visiting the field on a weekly basis to advise you on treatment of pests as well as the stage and overall well-being of the crop. Scouting is a one-time visit to determine a pest problem in the crop and provide you with a recommendation of how to handle that problem. Farmers Union Oil Agronomy of Rugby-Towner-Wolford can provide you with either of the in-the-field services that you may need this coming year, and we welcome you to talk with us before planting so that a plan can be put together to help you this cropping season.

Delivery of crop protection products out to the farm is another area that we are working with more and more each year. The most challenging part for us is getting enough lead time from when you order product from us and when you need it at your farm. It works especially well for growers who have been held up by wind or rainfall and do not want to stop spraying and go to town when they have a good day for application. We can keep you in the field by bringing the spray products you need out to the farm. So keep us in mind for delivery of crop protection to your farm this growing season.

Two falls ago we revamped our soil-testing program to be more precision based so that we can utilize a GPS to pull samples from the same spots from year to year. The fall of 2009 we would like to be able to offer our growers the ability to have fields zone sampled, to enable our growers to vary their fertilizer rates and become even more strategic in the placement of their plant food products. The groundwork for zone soil sampling needs to be put in place during the growing season so that zones can be established prior to testing in the fall. Zones can be established most easily through yield maps but if yield maps are not available there are Near-Infrared (NIR) maps that can be generated during the growing season to establish zones to be tested in the fall. The NIR maps are then matched up with soil maps and yield maps to create different treatment zones that fertilizer rates can be varied across. Talk to us this growing season so plans can be made for zone soil testing this fall.

We will again offer a 0% financing of crop protection products this year as we have done the two previous years. This has been a very popular tool for area growers and we intend to offer this program as long as growers are making use of it.

Our move to the new agronomy facility will also bring

about some changes in the responsibilities of our current agronomy staff. Ray Voeller will be the Fertilizer Plant Manager and Operations Manager overseeing everything with the fertilizer plant and custom application. Carter Medalen will be the Agronomy Manager overseeing the agronomy department as well as agronomy and seed sales. Sheila Braaten will be the Agronomy Production Specialist overseeing seed as well as agronomy sales. Tena Kofoid will move from the main office out to the new agronomy center to be the agronomy secretary and receptionist. The basic intention of these changes is to make the agronomy department more focused in how we manage our business to better serve the growers in this area.

If you have questions on the information in this article, please contact any of our agronomy staff, as they would be happy to help answer questions you may have. As always, Thank-You for your business this past year, and we look forward to working with you in the coming growing season.

Carter Medalen



In the coming weeks you will start to see noticeably more activity around the main station and our new agronomy center. The first activity will be the agronomy staff relocating to their new offices there, and after we are settled in our offices we will start to bring our crop protection inventory over. After the addition to the warehouse is completed we will set up our new bulk chemical facilities and complete the move. Last of all will be a company we will have hired, by the name of Seed Point, to come in and set up a new soybean seed treating facility next to what was the county weed board building. The former county weed board building will be used to warehouse bulk bags of soybean seed as well as soybean seed treatment and inoculant.

The seed treatment facility will consist of four Meridian hopper bottom bins, a conveyor system to take the beans to the treater, the treater within a wind shell and a conveyor for loading out the treated soybean seed. The treater is a USC LP 2000 and can treat soybean seed at a rate of 1800 bushels/hour. With this treater we will be able to treat soybean seed in three different ways: with Optimize inoculant, with Warden RTA fungicide seed treatment plus Optimize inoculant and with Warden CZ a fungicide/insecticide seed treatment plus Optimize inoculant. The Warden lineup of seed treatments is new to us but offers the same fungicidal benefits as the Apron lineup did in prior years plus will give us a low rate fungicide/insecticide to further protect soybean than our previous treatment system. We are continuing with Optimize inoculant due to the excellent nodulation we have seen in the past with this product as well as the added benefit that the LCO promoter technology provides in root development. We are looking forward to offering this state of the art facility for treating and inoculating soybean seed.

### New logo

As we move toward spring you may see a new logo in and around our agronomy facility. It is an R7 logo that

**See Agronomy, Page 3**

## Agronomy center update

Farmers Union Oil Company has made quite a presence in Rugby's Industrial Park, all in an effort to provide the company a convenient and ideal agronomy center to better serve area customers for the future.

It began with the construction and eventual opening of the fertilizer plant in 2005. The company recently acquired properties to the east of the plant, the former North Central Printing plant and County Weed building along First St. N.E.

Those property purchases, coupled with some added construction, are designed to provide needed office space and chemical and seed storage.

When the fertilizer plant was constructed, the initial plan was to put a seed and chemical facility on site as well, and offices for the agronomy staff. Meetings with Farmers Union's customers, employees and board members revealed a desire to have dry fertilizer, seed and chemical all in one area, and all adjacent to a rail service line for incoming and outgoing freight.

However, the existing property was too congested, so officials looked at adjacent property.

Farmers Union learned that North Central Printing, Inc., had considered the need of a larger facility. Plant shareholders were receptive to selling the property to Farmers Union and constructing a new plant elsewhere in Rugby.

The building will provide office space for the agronomy staff, and an addition to the east will create ample storage for small units of chemicals and bulk tanks for chemicals and liquid fertilizer and seed.

The former county building will serve as the location for our bulk seed tanks and a permanent location for the bulk seed scale. That will eliminate the current need to weigh seed at the Farmers Union Elevator, as required.

The changes will enable the company to purchase seed and chemicals conveniently and hopefully create buying opportunities for producers that will make the company's operations more efficient and profitable.

It was a collaboration of many people and businesses that made the process work, and a win-win for the community and Farmers Union's customers.

*This story written by Matt Mullally appeared in the Feb. 14, 2009 issue of The Pierce County Tribune.*

## Petroleum Department

The best way to describe the crude oil market this past year is, it's been a roller coaster ride. We peaked last summer at close to \$140 for crude and bottomed just recently at under \$40 per barrel. If you follow trends or history, now is the best time to buy, or to lock in contracts. Contracts can be purchased in amounts anywhere from 200 gallons per month on up. If you would like to contract fuel, we have the ability to contract up to 12 months into the future. Please call for a price quote if you are interested in a contract for any month and quantity you desire. If you have not filled with fuel for your spring needs, I would recommend you do it soon.

We also sell fuel in semi load quantities delivered to your tank. Pricing for semi-loads is established daily according to the rack price. Please call for these prices. The minimum we will deliver is ½ loads or around 4800 gallons. If you are looking for semi-loads for spring needs, do it soon. It won't be long before load restrictions go on and we won't be able to deliver off the main roads until after the restrictions are lifted.

We will be having a sale on all Cenex lubricants through the month of March. We just had a price reduction across all product lines, and will be offering an additional 15% off our retail prices. Our bulk oils, including TMS10W30, TMS15W40, Quick lift and Auto Gold 5W30, are all on sale for \$8.89 per gallon delivered to your tank. Please call Rugby, Towner or Wolford if you would like to have oil delivered. We would like a minimum order of 60 gallons to schedule the delivery when we are in your area. We can also pick up your used oil and dispose of it for you at no charge. All of us in the petroleum department appreciate our customers and the business you bring to us. If there is anything we can do to serve you better, please let us know. Thank you very much for your past patronage, and have a safe and prosperous year.

Dale, Gary, Bruce, Galen, Patrick

## Agronomy

comes out of the training that we receive at Answer Plots during the summer. It denotes that there are seven things that we are in control of in a given crop year that if followed will help our bolster our yield as the weather will allow. Those seven R's are: The **Right Genetics** with the **Right Traits** on the **Right Soil** type at the **Right Population** in the **Right Crop Rotation** with the **Right Crop Protection** and the **Right Nutrient Management**. What the R7 logo does is call attention to the checklist of things that go through our mind as we make recommendations that are aimed at making your crop production as strong as it can be.

Thank-You for your business in 2008, and have a Safe and Successful crop year in 2009!

Sheila Braaten

R<sup>7</sup>

The Right Genetics with the  
Right Traits on the  
Right Soil type at the  
Right Population in the  
Right Crop Rotation with the  
Right Crop Protection and the  
Right Nutrient Management



## Wolford Station

The Wolford Station has been busy with snow removal most of the winter, for there is no lack of the white stuff.

The fertilizer prices have been like an up and down market for most of the winter, being on the down side from this fall, as most can see and had hoped for. Growers have been locking in prices for the spring, which is a good thing so they will be sure to have the product when they need it.

Seed sales have been a little slower than normal, mainly because growers are a little undecided what to plant. There are ample supplies of all seed, with the exception of a few that are in short supply. I would encourage growers not to wait too long to decide, because some could get short the closer we get to the planting season.

For the cattle producers, we have a good supply of the #9 and #12 cattle lick tubs on hand most of the time. If we don't have what you need, we will have it in one day's time. These tubs are made in North Dakota by Orwigs Livestock Supplement, and they are superior to other tubs on the market.

This summer we added a 30,000-gallon NH3 tanks and two more filling stations making it so we can fill four tanks at one time. The extra storage will be nice so we can have more product on hand and not have to depend on the rail-road, which we will not be using any more. The management and board decided to go with this project, and it shows another commitment to this crop growing area. We are here to serve our patrons in the best ways possible, and that will never change.

The Wolford Station would like to thank you for your past business, and we are very much looking forward to serving you in the 2009 season. Have a great rest of the winter, for spring isn't that far away.

Wolford Station Supervisor  
Jim Wolf

## New Farm Tire Specialist



Some of you may have noticed a different drive in our "On Farm Service Truck." Brian Prellwitz has been hired as the new farm tire specialist. Brian has been with the company for one year, working in various positions within the co-op. He brings with him years of farm and ranching experience, which will help our customers with any of their farm tire needs. Call Brian today for your spring tire needs.



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**Spring SAVINGS**

Expires 3/31/09

 <p><b>\$79.19</b> 185/70R14 88S</p> <p><b>COOPERTIRES CS4 Touring</b></p> <ul style="list-style-type: none"> <li>• Premium all season touring performance</li> <li>• Excellent wet and dry pavement traction</li> <li>• Long treadwear</li> </ul> <p><small>Wide range of sizes available</small></p>	 <p><b>\$118.92</b> 225/60R16 91S OWL</p> <p><b>COOPERTIRES Discoverer CTS</b></p> <ul style="list-style-type: none"> <li>• Premium, luxury touring</li> <li>• Excellent wet traction</li> <li>• Quiet, comfortable ride</li> <li>• Provides improved, responsive handling and excellent life</li> </ul> <p><small>Wide range of sizes available</small></p>
 <p><b>\$62.02</b> 175/65R14 82S</p> <p><b>DEAN Quasar Plus</b></p> <ul style="list-style-type: none"> <li>• Aggressive, all-weather performance</li> <li>• Excellent mileage</li> <li>• Comfortable ride</li> </ul> <p><small>Wide range of sizes available</small></p>	 <p><b>\$115.49</b> 225/65R15 102S OWL</p> <p><b>COOPERTIRES Discoverer ATR</b></p> <ul style="list-style-type: none"> <li>• 5-Rib, all terrain design performs equally well on and off road</li> <li>• Solid center rib improves steering response while reducing road noise</li> <li>• Even wear and handling</li> </ul> <p><small>Wide range of sizes available</small></p>
 <p><b>\$52.60</b> P185/65R13 84</p> <p><b>DEAN Alpha 365</b></p> <ul style="list-style-type: none"> <li>• Durable performance</li> <li>• All weather traction</li> <li>• Even, quiet treadwear</li> </ul> <p><small>Wide range of sizes available</small></p>	 <p><b>\$148.86</b> 175/65R16 82S OWL</p> <p><b>DEAN Mud Terrain SXT</b></p> <ul style="list-style-type: none"> <li>• Gripping edges provides excellent traction</li> <li>• Evacuates water from contact area for effective wet weather driving conditions</li> <li>• Pinned for studs</li> </ul> <p><small>Wide range of sizes available</small></p>

Some items advertised in this flyer may be special ordered if not available at all locations. Prices listed are for merchandise only. Services rendered may be at an additional cost. Please see dealer for warranty information. See reverse side for participating dealers.

## Towner C-Store joins the Cenex® Circle of Pride



Tony Bernhardt, General Manager, presents Keith Dibble with the Cenex® Circle of Pride Award for attaining an outstanding level of customer service and cleanliness at the Towner station.

We are pleased to share the great news that our store has achieved the Cenex® Circle of Pride Award! This award recognizes top Cenex stores that have attained outstanding levels of customer service and cleanliness.

At the heart of the Circle of Pride Award is an independent mystery shopper evaluation of our customer service, cleanliness, and overall appearance. A rating of 98% or higher must be achieved for the locations to be considered for the distinction.

Of the 1,600 Cenex sites, we were one of the top per-

forming stores which met these requirements. We are extremely proud of our entire staff and our community, since we draw from our neighbors to find such dedicated and service-oriented people. We are excited, proud and pleased to see the efforts of our people recognized for the work ethic they bring to our store. We strive for excellence and they support us wholeheartedly. Thank you to everyone who has helped make this award possible.

We look forward to another successful year in 2009, and welcome everyone to stop by, congratulate our employees and experience our circle of pride service.

Keith Dibble, Manager  
Farmers Union Oil-Towner

### Board Chairman's report

Hello, fellow patrons,

Spring is almost here. I've had enough of winter. The calves are starting to hit the ground, and before you know it, we will be in the field. Hopefully the crew will be moved into the new Ag Center by that time. Things are moving along pretty well with the remodeling. It will be nice to have more room for chemical and seed. It will be a big change. Your boards plan to finally come together to get most of the agronomy one place. Oh, and did I mention No Air Compressors?

I would like to thank Phil Volk for his years of faithful service on the board of directors. He chose not to run for reelection. He was a real asset to the board. I am going to miss his input. Thanks, Phil.

See you at the annual meeting.

RJay Paul, Chairman

## SPRING BATTERY SALE

Economy Battery 24-50  
**\$46.19** each



XHP-31D	950CCA	\$107.40
XHP-31E	950CCA	\$107.40

HP-31D	925CCA	\$94.35
HP-31E	925CCA	\$94.35

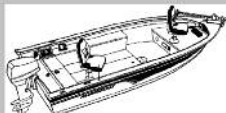
(6 VOLT)		
COM-11HP	625CCA	\$56.55



LAWN & GARDEN  
GT 165CCA  
GT-H 235CCA  
GT-X 300CCA



MARINE BATTERIES



DEEP CYCLE  
NG-31 \$113.43  
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Sale Ends April 30, 2009

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## Equipment Sales

On behalf of the Equipment Sales Department I would like to thank the patrons of Farmers Union Oil for their business in 2008.

We had an exceptional year in hopper bin sales, surpassing 200 bins sold. We've established ourselves as one of the premier hopper grain bin dealers in the state, thus expanding on our sales area.

Something new for 2009 will be the logo addressed to our hopper bins. The same quality bin will be available but with a Meridian insignia for representation.

New in 2008 was the devolvement of a hopper bin style fuel holding bin. We are just beginning to introduce these to producers and the response has been very favorable. Once producers are established with our bins there is the potential in other areas such as seed, dry fertilizer, liquid fertilizer chemical sales and bulk diesel fuel.

Sales within the grain Handling area continue to rise. Established grain facilities are updated more readily with the variety of crops grown. We are seeing an increase in utility augers, floors and take-out systems. With the variety of crops and the increased rate in which they can be harvested, the additional need for fans and heaters continues to grow. Our inventory is well stocked with fans and both electrical and propane heaters. We represent Edwards Grain Guard, Sukup and Quality Dry Systems, all of which are very respected within their field.

We are continuing to be a well represented dealer in WeSteel and Sukup corrugated bins, selling 19 of them in 2008. We built bins in Rugby, Velva, Drake, Bottineau and York. Our area of growth has expanded, due in part to our service and ability to build our own bins. We take a great deal of pride in our product and the quality of workmanship that goes into each job. Our summer crews are an important asset in achieving these high standards. We hire local high school students to fill these positions and are proud to represent the local youth of Rugby.

Auger sales were also up in 2008. Our Sakundiak augers are extremely efficient, mobile and suited for all grain moving conditions. Westfield Augers sold exceptionally well in 2008 and look to do very well once again in 2009, primarily in the larger MK series with a low profile swing hopper. With the farms getting larger and time running short, the MK13x71 Low Profile is our top seller. We are now stocking an inventory of Wheatheart Augers. They are very reliable, well-built and mobile.

New to our Equipment Department in 2008 was the addition

## New Employee Profile

Farmers Union Oil would like to welcome Ron Ripplinger to the grain handling equipment department. Ron joined the staff in January and his main duties will be driving truck, transporting equipment and hauling fertilizer.

Ron was born and raised in Rugby. He and his wife, Melissa, live on a farm with their two children, Shannon and Jacob. Ron had worked previously for Rugby Manufacturing for 20 years. After a brief try at ranching, he came to work for Farmers Union Oil Company.



of Bat-Co conveyors. They are very well built and represented in the grain handling field. We will continue to be a dealer in Convey-All and Westfield conveyors and will continue to see sales grow in this area due to the abundance of producers growing beans and storing on-the-farm fertilizer.

We are looking forward to helping you this year with your grain storage and grain handling needs. In addition to providing you with a product and service, we are here to help you with any questions concerning grain aeration or drying.

Thank-You,  
Tom Clements  
Equipment Sales

**Farmers Union Oil Company**  
**is here to serve you. Call your local**  
**Cenex for assistance.**

Rugby Cenex Station .....776-5221  
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Rugby C-Store .....776-6220  
Rugby Hot Stuff .....776-6383  
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Cenex Web Page  
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