



# COMMUNICATOR

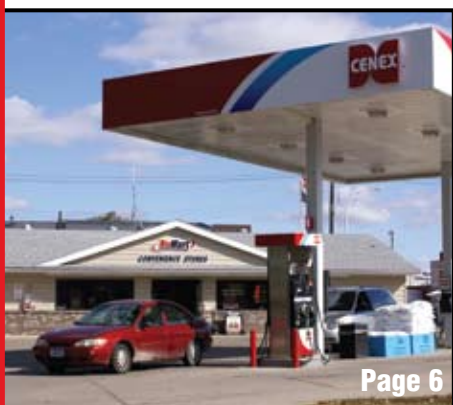
Diversified • Innovative • Exceptional Value



Page 1



Page 4



Page 6

## Co-op Informs Our Decisions

The core of the Odin, MN farm on which Neil Wenner and his brother Leon grow corn and soybeans has stayed the same as it was when their father Leland farmed full time. Leland is still active, but the boys now make the decisions. The family got out of farrow-finish hog production in 1992 and has since rented additional cultivated acres.

About the only new thing being harvested on the Wenners' farm is wind. "A quarter of Dad's land happened to be in the footprint of a wind farm," says Neil of the 1.2 megawatt tower erected in 2005. That hasn't changed much, aside from airplanes not being able to spray the crops in those fields.

What has changed is the technology the brothers are using to farm, including VRT, yield monitors, and auto steer. Neil and Leon were early participants in the Premier Crop Data Management program promoted by NuWay Cooperative, which gathers data from area cropland to assess the value of various products and farming practices. "It's nice to have information put in front of us and know that these are local trials—relevant to our farming operation," Neil states. Most of the land the Wenners currently operate is now in the Premier Crop Data Management program. He adds, "The Premier Crop Data Management program has given us a little more confidence in doing some things (like VRT and auto steer) on our own operation, and has narrowed down the scope of some of the products out there."

The Wenners' relationship with NuWay Cooperative and its predecessors is longstanding. Neil remembers as a young kid riding with his dad to the Ormsby fertilizer plant. "We used to go in and pick up 100 gallons of whatever in 5-gallon pails, and haul it home in the back of a pickup," recalls Neil. "Now, chemicals are delivered in bulk or packaged in a way that doesn't take much product to cover all the acres—and we can still get anhydrous out of Ormsby in the fall or spring.

"We get almost every bit of our inputs, including fuel, from NuWay," says Neil. "The service has been excellent." Jeff Crissinger is the Wenners' account manager. "Jeff basically orders all of our fertilizer and chemicals, and we direct all of our questions to him," says Neil. "If he doesn't know the answers, he finds someone who does."

In the future, the Wenners will rely on Jeff and NuWay Cooperative to keep them current on everything from technology to purchasing options. One of the

Continued on Page 2

**NUWAY COOPERATIVE**  
PO Box Q  
Trimont, MN 56176-0370  
Main Office: 507-639-2311  
800-445-4118 • Fax: 507-639-4006

**GENERAL MANAGER**  
Kevin Jones .....507-639-7124

**BULK PROPANE & REFINED FUELS**  
.....800-445-4118  
**CHIEF FINANCIAL OFFICER**  
Steve Sorenson.....507-639-7128  
**OPERATIONS MANAGER**  
Brian Carlson .....507-639-7142  
**RETAIL DIVISION MANAGER**  
Al Seckinger.....507-639-7114  
**SALES DIVISION MANAGER**  
Rock Reker .....507-639-7126

**ACCOUNT MANAGERS**  
Neil Chaffee ..... 507-639-7122  
Jeff Crissinger .....507-639-7120  
John Sandmeyer .....507-639-7130  
Dan Schley .....507-639-7132  
**CERTIFIED ENERGY SPECIALIST**  
Chad Larson .....507-639-7118

# Doing Business With Yourself



**KEVIN JONES**  
General Manager  
507-639-7124  
kjones@nuwaycoop.com

The further we get from the beginning of the cooperative system, the easier

it is to forget the reason co-ops were started and why it makes sense to do business with them. Ag co-ops were

formed by farmers in the early 1900s to guarantee a consistent supply of inputs at a fair price and to provide a competitive market for the farmers' grain.

NuWay Cooperative no longer markets grain, but our objective has not changed. Our goal is to make sure member-owners have the products and services they need at a reasonable price. At the same time, we have an obligation to pay back profits that earlier members left in the company to make it work. All the while, we seek to maintain and build market share by competing aggressively with independents.

I hope you can see the intrinsic value of doing business with the co-op system. Besides a stable supply and a reasonable price, you benefit on a daily basis from new products and services designed to improve the profitability of your farming operation. Dollars invested in our retail outlets stay in your local community, instead of being funneled to a handful of investors in New York, Iowa, and Wisconsin. And some day, as a member-owner, you'll receive this value back in hard cash.

But some of our members have lost sight of that value. They think nothing of doing business with our competitors. Let me ask you a question. If you owned one of two grocery stores in town, would you buy from the store you didn't own to save a few pennies? Similarly, it makes little sense to buy fertilizer, seed, fuel or gas, and snacks from a competitor when you could add value to the co-op.

During this fall's fuel shortage, a local distributor had no propane to deliver. Earlier, this distributor had shown no loyalty to their primary supplier. Instead, they purchased from whoever had the lowest price. When the shortage occurred, their primary supplier felt little obligation to help this distributor find propane.

At NuWay Cooperative, we purchase 99% of our fuel from CHS, Inc., a regional cooperative in which we have ownership. When the shortage occurred, CHS recognized our loyalty and kept us supplied with product while others went without.

The moral of the story is this: we may not make every nickel of profit possible, but, in the long term, doing business with a company we own has paid off for us and for our customers. You'll find the same is true of doing business with NuWay Cooperative. You may not pay rock bottom for everything you buy, but, in the long run, the value you create by doing business with yourself is worth investing a few extra cents. ●

## Co-op Informs Our Decisions Continued from Page 1



Neil (left) and Leon Wenner depend on account manager Jeff Crissinger (right) to keep them current on everything from technology to purchasing options.

most challenging aspects of today's crop production is that farmers are making purchase decisions all through the year, and sometimes financing two years at a time. "In the end, it's the producer's decision," says Neil, "but it's nice to have their expertise and rely on them to keep us informed of our options."

*EDITOR'S NOTE: The Wenners have invested not only their business but their time and wisdom in making NuWay Cooperative work for all its members. Leon Wenner served on the board of directors from 1991 to 2007, and Neil served for several years on the nominating committee. ●*

# No Windfall From Falling Markets



**ROCK REKER**  
Sales Division  
Manager  
507-639-7126  
lreker@nuwaycoop.com

A customer recently asked if NuWay Cooperative is making a large profit in the rapidly

falling energy markets. He assumed we are reaping windfall profits on contracts sold when prices were high by covering them with product purchased after the market softened.

Nothing could be farther from the truth, but I have a suspicion some of you were wondering the same thing. So, I've decided to explain how refined fuels, propane, and fertilizer contracts actually work.

## Refined fuels contracts

When you ask about contracting refined fuels, your account manager offers you a contract price that contains the margin we need to operate. That price is based on the NYMEX, a daily live market that moves by the second. If you agree to the price, I immediately go to our supplier, CHS, and purchase those gallons on the NYMEX. That guarantees the price for the number of gallons contracted. It protects you from any upside risk but does not protect you if the market goes down.

Refined fuels contracts are 100% prepay.

## Propane contracts

With propane, we offered three options this past season: booking, 10¢ down, and 100% prepay. When you agree to a price, which includes our margin, I go out and purchase those gallons. That protects you from any upside risk, but again, does not protect any downside movement.

If there are any unused gallons at the end of your contract period, NuWay Cooperative has the option to charge you a penalty.

## Fertilizer contracts

Phosphate and potash contracts are similar to energy contracts. The difference is that these plant nutrients are shipped and delivered because we can store them.

When it comes to anhydrous ammonia, we don't have the storage capacity for all the tons we've purchased for our customers. There again, we've agreed with you on a contract and the price is locked in. With NH<sub>3</sub> suppliers, any tons not pulled are assessed a \$10-per-ton-per-month storage fee until the product is pulled. So it is very important to pull all gallons purchased if possible.

Contracts do not guarantee supply. If there is no product available, we can't deliver.

Again, we never sell a contract without backing it up with an offsetting purchase to protect you and the cooperative. The product is purchased and paid for as soon as you sign on the line.

In the end, what we try to do is offer a risk management tool you can use to purchase your inputs at a price you can live with, while protecting the assets and equity of the company owned by you and your neighbors. ●



## HOLIDAY HOURS

### NuWay Cooperative Locations

Closed at noon Wednesday, December 24, and all day Thursday, December 25.

Closed all day Thursday, January 1.

### NuMart Convenience Stores

NuMarts will close at 5:00 p.m. on Christmas Eve and will reopen at 8:00 a.m. on Christmas Day.

They will have normal hours on New Year's Day.

*EXCEPTION: NuMarts that are open 24 hours will have normal hours during the holidays.*

*We wish you a Happy Holiday Season  
and a prosperous New Year!*

# Best Prices on Seed Right Now

Get up to a 7% cash discount on seed corn through January 5, 2009. A 12% volume discount applies no matter how many bags and brands you buy. Want to plant the newer varieties? They go fast—especially if you want a certain seed size. See your account manager now.

NuWay Cooperative represents these seed brands: CORN—Dekalb,<sup>®</sup> Cropland,<sup>®</sup> NK,<sup>®</sup> Mycogen,<sup>®</sup> and Stine.<sup>®</sup> SOYBEANS—Asgrow,<sup>®</sup> Croplan, Stine, Mycogen, and NK. For 2009, we'll offer five soybean varieties in bulk: Croplan 2020 and 2257, Asgrow 2002 and 2108, and Stine 2062-4.

See your account manager for details on our Equipment Support Program for seed tenders, yield monitors, auto steer, and precision planting row units.

## Treating seed pays

At present prices, a one-third-bushel increase will pay for soybean seed treatment.

NuWay Cooperative offers two treatment options for 2009: Warden RTA and Warden Cruiser, a fungicide and insecticide treatment.

Besides treating the seed we sell, we'll treat the seed you bring to us. Call your account manager to arrange a delivery time.

## Agronomy plans and prepays

It doesn't look like fertilizer prices will soften before spring. Now is a good time to purchase your fertilizer and to think about your chemical needs for spring and summer of 2009. With the higher prices and difficulty in getting some of these products, we need your help to plan ahead.

Potash, for example, has been on allocation. We've been able to get all we need, but that doesn't mean it's going to be that way forever. With these high prices, we won't be sitting on a lot of extra product. Tell us what you need today.

## Get insurance and financing here

Dan Schley and Neil Chaffee are already certified to sell crop insurance through AgQuest and the other account managers are in the process of getting their licenses.

As we help you put together your farm plan, we can write your crop insurance and put your financing in place, too, through our partnership with AgQuest.

## Layer energy contracts

Contracts are still valuable tools for avoiding the extremes. Layering your contracts is a good strategy. Buy some low and some high, and you've bought in the middle.

Diesel prices are the lowest since 2007, but no one has a crystal ball. Stay in close contact with your account manager during this downward trend. Once the bottom of the market is found, you'll want to make some purchases for spring. When the market swings back, it is capable of moving 10-20 cents per day.

Bulk oil continues to be popular because of low cost, cleanliness, and ease of handling. Give your account manager a call if you have an interest. Now would be a good time to set up a farm storage system prior to spring. We have attractive lease-to-own options on totes. ●

**JEFF CRISSINGER**  
Account Manager/  
Site-Specific  
Specialist  
507-639-7120  
Cell: 507-236-0742  
jcrissinger@nuwaycoop.com



**NEIL CHAFFEE**  
Account Manager  
507-639-7122  
Cell: 507-236-2560  
nchaffee@nuwaycoop.com



**DAN SCHLEY**  
Account Manager  
507-639-7132  
Cell: 507-236-2568  
dschley@nuwaycoop.com



**JOHN SANDMEYER**  
Account Manager  
507-639-7130  
Cell: 507-236-2561  
jsandmeyer@nuwaycoop.com



**CHAD LARSON**  
Account Manager/  
Certified Energy  
Specialist  
507-639-7118  
Cell: 507-236-8016  
clarson@nuwaycoop.com



# Secure Comfort Gives Peace of Mind



**BRIAN CARLSON**  
Operations Manager  
507-639-7142  
bcarlson@nuwaycoop.com

As the heating season begins, remember that will call accounts now have a 48-hour waiting period for deliveries. This policy helps us plan our deliveries, makes us more efficient, and keeps costs low for everybody. If you must have a fill within 48 hours, there is an extra charge of \$150 to make that special delivery.

Will call accounts are expected to watch their own tanks. If a tank runs dry, we must do a leak check before we can fill it. That's an extra \$50 charge if you are on will call. In addition, NuWay Cooperative requires that an adult be present when we do a leak check.

Want an even monthly payment? Consider joining NuWay Cooperative's Secure Comfort program. We will calculate a monthly payment based on your past usage, you become scheduled delivery, and you have the option for ACH payment. Call NuWay Cooperative at 800-445-4118 today to sign up for Secure Comfort.

## Hog house heaters

Bring your spare heaters in and let us clean them, or call us to pick them up. It's important to have a good

spare in the corner of your barn. If you do, we can hang it at the same time we come to pick up your malfunctioning heater for repair.

If you don't have a spare heater, we can sell you one. See your account manager today. It's gonna get real cold, soon. ●



# AgQuest & NuWay Still Committed to Your Success

In recent months we all have been faced with a barrage of news and commentary about the crisis in the U.S. and world financial markets. This can be cause for confusion and nervousness about the stability and lending ability of the banks and financial institutions that consumers do business with.

Whether it's liquidity issues, credit, funding sources, or a combination of factors, it's important to keep in mind that every financial institution is affected differently, depending on their unique situation, location, and customer base.

You can be assured that AgQuest Financial Services is here for its customers, as we always have been, with sound funding sources and the capacity to finance your total operation needs at a competitive rate.

Working together with NuWay—which provides farmers with the goods and services they need—enhances our finance and insurance risk management products and, thereby, strengthens our relationship with the producer. Also as importantly, it brings value to NuWay—a full-circle

relationship that grows stronger as we rely on and support each other.

The producers and agribusinesses that do business with NuWay are the foundation of AgQuest. This foundation is our number-one priority going forward. We understand that 2009 will be a challenging year, due to volatility in both production costs and commodity prices. That is why our focus is on understanding each operation's needs and then providing for those needs.

AgQuest's primary goal has never changed. That is to deliver the highest quality and most comprehensive financial products and services to the customers of NuWay. This means that you, a producer and a customer of NuWay, are in a special position to benefit from a long-term relationship where we are committed to your success, today and in the future. ●

**DAVE STUK**  
AgQuest CEO



# ETHANOL: CHOOSE YOUR PERCENTAGE



**AL SECKINGER**  
Retail Division  
Manager  
507-639-7114  
aseckinger@nuwaycoop.com

NuMart Convenience Stores recently installed its first ethanol blender pump at the downtown St. James store. It's the first blender pump in our market area and one of a handful in Minnesota. That's being Diversified and Innovative—part of our Brand Promise. To date, we've installed blender pumps at NuMart Convenience Stores in Fairmont, Welcome, Butterfield, St. James

Downtown, and Trimont. A blender pump is scheduled to be installed soon at our Truman Store.

A blender pump combines ethanol and gasoline from two underground storage tanks. One of the tanks contains ethanol and the other contains Super Unleaded Gasoline with 10% ethanol.

Depending on which button you choose, the pump blends the contents of these two tanks into E-20, E-30, or E-50. Blender pumps have been long used to blend diesel, so it just made sense to use the blender pumps to produce ethanol blends.

### Why ethanol blends?

You've probably heard that using E-85 results in a reduction in mileage. However, researchers say you don't experience a significant reduction in mileage using E-20 and E-30 blends.

Let's be clear. We're not recommending anyone put E-20 through E-85 in a non-flex fuel vehicle. But for those who have vehicles designed for ethanol blends, this is a great way to support our farmers and reduce consumption of foreign oil.

Tell everybody about it—and if you own a flex fuel vehicle, fill 'er up!

### Temporary price inversion

For much of 2008, there has been a wide price spread between unleaded and E-85 at NuMart Convenience Stores. Our philosophy has been to sell E-85 for our cost plus a fixed margin. As a result, the spread at our stores has been as high as \$1.00.

In recent weeks, unleaded gas has dropped quickly, and the cost of ethanol has remained the same. NuMart Convenience Stores cannot keep a significant spread at this point, so please bear with us during this price inversion.

**Prefer your  
Communicator newsletter  
online instead of in print?**

Go to [www.nuwaycoop.com](http://www.nuwaycoop.com) and click on "e-NEWSLETTER SIGN UP" at the top of the page. Fill out a brief form and click "Submit." Next issue, we'll notify you by e-mail that a new issue of the *Communicator* has been posted and offer you a link to that issue.

New & Improved Weather  
Check it out!  
[www.nuwaycoop.com](http://www.nuwaycoop.com)



440 HWY 4 SOUTH  
PO BOX Q  
TRIMONT, MN 56176-0370

PRESORTED  
FIRST-CLASS MAIL  
U.S. POSTAGE  
PAID  
VISTACOMM

**OUR VISION:**  
NuWay COOPERATIVE IS  
A DIVERSIFIED PARTNER  
TO YOU AND YOUR  
COMMUNITY, DELIVERING  
EXCEPTIONAL VALUE  
THROUGH KNOWLEDGE AND  
INNOVATION.

