



COMMUNICATOR

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www.nuwaycoop.com

Nominating Committee Seeking Board Candidates



KEITH SICKLER
Board Chairman
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It may seem like a long way off, but the **NuWay Cooperative** annual meeting will soon be here. This year, the annual meeting will be held on Monday, January 5, 2004, at the Trimont school.

We still need candidates to run for the board positions up for election. If you or someone you know is interested, give me a call at 507-764-3275, and I will have the nominating committee contact you.

Changes show up in bottom line

These days, most companies must constantly make changes in their operations to remain competitive.

NuWay Cooperative made several changes this past year. Some of these changes—such as a facility closing—are easily seen. Other changes—such as computer updates—are internal and not as noticeable. However, all changes are made with input from the board of directors and the management team.

Changes were made

for a variety of reasons. Some were made to streamline our operations and cut expenses. Several of these changes are beginning to show up in the bottom line of your company.

Although we do not always like it when things change from what we are used to, most of the time these changes do not affect the products or services we receive—except that the products or services may come from a different facility.

If you have a problem with the service, please tell your division manager, the general manager, or a director so that a solution can be established.

Successful year because of you

Your company had an excellent year, due to the hard work of our dedicated employees and to the continued support and loyalty of patrons like you.

A big “thank you” from the entire board of directors. We hope you all have a great holiday season. ■

NUWAY COOPERATIVE BOARD OF DIRECTORS

Keith Sickler	President	507-764-3275
Greg Belknap	Vice President	507-632-4505
Dan Bebernes	Secretary	507-235-9461
John Burmeister	Director	507-632-4449
Dennis Carlson	Director	507-736-4727
Maynard Jagodzinske	Director	507-728-8702
Howard Julius	Director	641-561-2597
Stanley Nelson	Director	507-764-2891
Eldon Tlam	Director	507-695-2368
Leon Wenner	Director	507-736-8400
Jim Lorenz	General Manager	507-639-5621

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Main Office: 507-639-2311
800-445-4118
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BULK LP & REFINED FUELS
Sherburn MN800-332-1439
Buffalo Center IA800-325-4540
.....641-562-2272

CONVENIENCE STORES
Welcome728-8424
Amboy674-3215
Butterfield956-5510
Fairmont238-2788
St. James - Downtown375-3411
St. James - Hwy 60375-5909
Sherburn764-3547
Trimont639-4491
Truman776-3300
Wells553-6315

FERTILIZER PLANTS
Welcome728-8224
Ormsby736-4311
Dunnell695-2734
NUWAY TECHNOLOGIES ..639-6481
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First Quarter Results Positive for NuWay Cooperative



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We've completed the first three months of our new fiscal year and they went very well.

Agronomy division

We started the year with a bang because of the aphid problem and had the best fall application season in years. Dry fertilizer tons are up, even as the number of hogs continues to expand, and we are having a good fall ammonia season.

Our newly expanded plant in Welcome ran very well and is impressive to view. If you get a chance, stop and look at it.

NuWay Technology is humming along and looking forward to a new seed season.

Petroleum

We are happy with our fall season movement of gasoline and diesel, although we had a horrible time keeping our customers supplied with

diesel fuel. At times, we had to drive great distances and spend hours in line just to keep up. This problem will only get worse in the future. (See **Andy Swanson's** article on page 4 for an explanation of this problem.)

Our fall corn-drying season did not exist at all. We will be down about 800,000 gallons of LP due to no drying. Now, we have to find a home for those gallons.

Our petroleum system worldwide is in a flux of problems due to many hot spots in the oil field countries.

Cenex convenience stores

Our C-store chain had great summer and fall seasons. Sales continue to climb and our bottom line is great.

We have continued to improve the appearance of our stores inside and out. We will be upgrading the bathrooms in several of our stores, and many will get a fresh coat of paint inside.

By the way, many people do not understand that these stores are

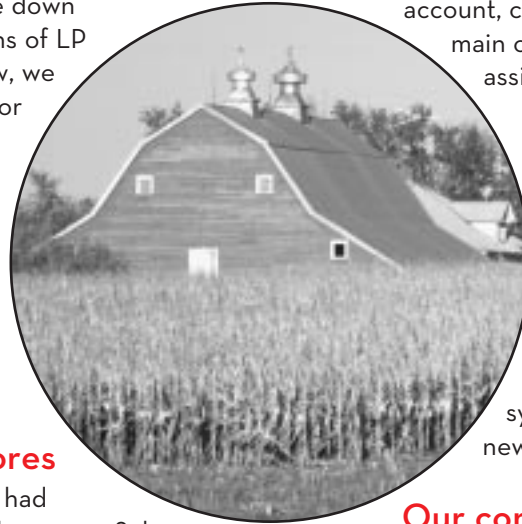
branded Cenex, but NuWay owns and operates them.

Main office

We have revisited our credit policy and will be "enforcing it strictly." If you have a problem with your account, contact the main office for assistance.

We are converting our computer software to a new system sometime in early 2004.

You will like the new system and the new statements.



Our company

NuWay Cooperative continues to gain business strength. We continue to build a stronger balance sheet so we can change with the times and have financial strength to deliver the products and services you will want in the future.

We also continue to improve our ability to compete in the marketplace. Thank you for your support. ■

NuWay Credit Policy Will be Strictly Enforced



MIKE GOLDENCROWN
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in agriculture—both on the farm and at your cooperative.

I happen to be "old school" in my thinking. I like things the way they were. Maybe you do, too. But I have learned over the years and from a variety of experiences that change waits for no one. Either you get with it or the next person will pass you by.

Over the years, we have watched many farm cooperatives go by the wayside. They did not do a lot of

I'm not sure who first said "change is inevitable" or "nothing stays the same for long," but these truths can plainly be seen

wrong things. Rather, they did not do enough of the right things. Their demise was swift and unmerciful.

NuWay Cooperative does not intend to make this mistake. That is why, in 2004, we plan to make changes in almost every division.

At the main office, we will soon bring a new accounting system on stream. We will also enforce our current credit policy very strictly. Whether you are a home heating customer or a large farming operation, we will expect you to keep your account up to date.

This action is being taken because bad patterns are developing in the overall age of our accounts receivable. This doesn't mean that all of our accounts don't pay their bills on time. Rather, we are seeing a few more accounts every month which are getting slower. By strictly enforcing our current credit policy, I hope we can work this out together.

Excuse the Mess While We Improve Our C-Stores!



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We've started interior facelifts at some of our c-stores. We're painting the entire inside and remodeling the restrooms at our Amboy and St. James Highway 60 locations. Sometime this winter, we will also remodel the Truman and Wells stores.

To get them up to snuff, we will have quite a mess for a while. So, please bear with us, and remember: it will be nice when it's all done.

Pizza-to-go

We're starting a new take-and-bake pizza program with our Piccadilly Circus

Pizza®. This means we will have fresh-made pizza (not frozen) ready to go to your oven at home.

No delivery charge. No waiting. Just stop by the Truman Cenex C-store and pick up a take-and-bake Piccadilly Circus Pizza today.

We plan to expand this product to other C-stores in the future. Watch your local newspapers for the exact date and time of availability.

New check policy

Due to the growing number of forged checks we are receiving, we're forced to change our check policy. We may ask to see your driver's license or some other form of identification when you wish to write a check.

We understand this may be inconvenient, but this policy will protect both you and me from the possibility of someone trying to forge a check on our accounts in the future. Please remember to have an I.D. along when writing checks at your stores.

Happy holidays to you and your family. Drive safely. ■



Ellen Lang, deli manager at the Truman C-store, holds fresh-made "take-and-bake" pizza.

Hand-Held Computers Improve Propane Routing

By Andy Swanson, Petroleum Division Manager

I've talked before about the need to increase the efficiency of our routing and delivery of energy products. One of the first steps we're taking is to install hand-held computers in our propane delivery trucks. These computers will be similar to the computers you've seen UPS or the Schwan's® man use to store and retrieve information.

By improving the efficiency of our delivery system, these computers should enable us to reduce our operational costs and allow the most competitive pricing, while improving our return on investment. They will also ensure the accuracy of our contract pricing and track the remaining quantities on contracts, as well as eliminating most entry and calculations errors.

These hand-held devices will also serve as a tool to gather information, such as regulator dates and tank serial numbers required by our insurance companies, while we're on site so we don't have to bother our customers for that information.

We can also record when the system has been leak checked and what work has been done on the system in the past. Instead of writing that information on a piece of paper that can be misplaced, we can put that into the computer at the customer's site and reference it whenever the customer or the co-op needs the information.

It all relates back to being more efficient and providing a safer environment for the customer and their family. ■



Brian Carlson

Big Equipment, Low Farm Storage Taxes Aging Delivery System



ANDY SWANSON
Petroleum Division
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This fall, we encountered an extreme shortage of diesel fuel during harvest. In the face of this potential catastrophe, four **NuWay Cooperative**

transport drivers became our heroes: **Dan Krumwiede, Guy Head, Scott Broelsma** and **Mike Bedford**.

These drivers put in long hours to keep our c-stores and farm customers supplied with the diesel they needed for their retail customers and to bring in the crop.

What caused the shortage? For one thing, November was the sunset month for bulk plants in Minnesota that weren't updated. They had to close. With those plants disappearing and none being rebuilt, the supply at the retail level has decreased dramatically over past 2-3 years. *NOTE: It looks like the same thing will happen in Iowa over the next 2-3 years.*

With less storage, the retail level turns its inventory in a shorter time, causing high pipeline demand at terminals whose capacity hasn't been added to for years. Product is coming out of the pipe at the same rate it was 30 years ago, because the pipe size hasn't changed.

Another thing compounding the supply problem is that, as producers are consolidating, many have increased their equipment size but not their farm fuel storage. Ask anyone who has driven a bulk truck years ago, and he'll recall that there were four farmsteads per section and each place had 300 gallons of gasoline storage and 300 gallons of diesel storage. So, in the past, there were 1,200 gallons of storage per section.

Now, as our larger producers have taken on more acres without increasing their fuel storage, the result is more turns on inventory and more stress on the delivery system.

NuWay offers lease-to-own

In answer to this growing problem, NuWay Cooperative has developed a very aggressive lease-to-own storage tank program which we feel will be the key, in the future, to supplying you during the peak seasons: spring and fall. If farm storage does not increase, we believe these shortages will only increase.

Don't wait until you go to the barrel, and it's empty. Contact me at 800-445-4118 or 507-639-2311 for details on the lease-to-own program.

CAP for spring?

This fall, we offered a CAP diesel fuel contract, which worked out very well for our producers. At times this fall, our cash price was under our CAP contract, so our producers were able to participate in the market's downside. Toward the end of the season, however, the cash price was over the CAP contract, so they received the CAP price.

We will continue to offer these flexible programs in the future. We have the ability to lock in fuel prices whenever the market looks good to you. Call anytime and get a price for future delivery. ■

GAS Check® Finds Safety Hazards

Last issue, we reported that Tom Zender has been chosen to head up the NuWay GAS Check program—a regular inspection of the propane delivery systems we supply, aimed at exposing present and future hazards in the storage tanks, lines, and appliances of these systems. After several inspections, Tom talks about what he is finding.



Tom Zender

"I've found regulators located inside the house that were vented outside through a little piece of copper pipe," reports Tom. "If this small pipe had plugged, the owners could have had gas inside the house."

"Another problem I've found is that some systems have only one regulator on the (supply) tank, like they used to have in the old days," he states. "The law requires a two-stage regulator, so that if one regulator goes bad you've got the other to handle the job." If a single stage regulator goes bad, notes Tom, the line going into the house and the appliances on that line could be subjected to tank pressures of from 50 to 250 pounds, which could cause an explosion.

"Another thing I've found is a lot of water nuts on the gas line, inside and outside," continues Tom. These long, tapered flare nuts are not as heavy as the regular LP nuts and have a tendency to crack if over tightened.

"I've also found solder joints, which are illegal because if there is a fire in the house, they will melt and an explosion could result," explains Tom.

To have a GAS Check performed on your propane system, contact the NuWay Cooperative petroleum division or call our main office. Consult the directory on page 1 for phone numbers.





First Season at Welcome: Growers Say Service



KEVIN JONES
Agronomy Division
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Improved

We've just completed an excellent fall application season with no breakdowns or big glitches in our service. We got a lot of work done, which should make our workload next spring very manageable and enable us to give you timely service.

Our first season at the Welcome agronomy plant, after combining the operations of three plants at that location, was very successful. Several of you commented that our service has improved. Thank you for giving us the opportunity to make the adjustments necessary to operate your agronomy division profitably in the future.

If you have any concerns or ideas, please call me at 507-639-2311 or 800-445-4118. **NuWay Cooperative** is your company, and I want to make sure we're answering any questions you might have as well as gathering any ideas. We'll definitely take them

into consideration as we make future decisions.

2004 financing available

For the 2004 crop production season, we will offer complete crop input financing through AgQuest Financial Services, a company owned by seven local cooperatives, including NuWay.

We took this step in response to a survey mailed to our growers one year ago. The number one request of growers responding to this survey was for NuWay to provide them with financing packages.

Learn more about the Companion Crop-Financing Program by calling me or by contacting our AgQuest business development manager, **Steve Syverson**, at 507-327-5189.

One-on-one attention

Growers responding to the above-mentioned survey also indicated they want more time from the NuWay employees who serve them. As a result, we're in the process of assigning an account manager to each grower. In most cases, growers will be assigned NuWay employees who

have worked with them in the past.

We're basically redefining their job descriptions to give them more time to work with you than in the past. With a specific person assigned to your account, you can go to one source for everything you need—from recommendations and application to scouting and concerns about product performance. Your account manager will contact you soon to explain the new process.

If you have any questions regarding your assigned account manager, give me a call at 507-639-2311 or 800-445-4118. We continue to make changes to be more efficient in our service to you, in addition to being more competitive

It all comes back to you

This company is yours. You own it, and it is important that you patronize it if you want to keep it healthy and capable of serving you in the future.

We're doing what you asked us to do, as illustrated by the changes described above. We need your business in response.

Thank you for supporting NuWay

NuWay Cooperative Patronage Rates for year ended July 31, 2003	
GASOLINE (GALLON)	\$.03
FUEL (GALLON)	.04
PROPANE (GALLON)	.04
DRY FERTILIZER (TON)	14.00
LIQUID FERTILIZER (TON)	13.00
ANHYDROUS (TON)	12.50
CORN SEED (BAG)	4.00
BEAN SEED (BAG)	1.00
CHEMICALS (DOLLAR VOLUME)	5%

WINTER HOURS ANNOUNCED
Off-season hours are now in effect at our agronomy facilities. We're open 7:30 a.m. to 12:00 noon and 1:00 p.m. to 4:30 p.m., Monday-Friday. We're closed Saturdays and Sundays. Call your account manager if you need something outside of these hours, and he will be happy to accommodate you.

Information Lab Makes Great Strides in 2003



JEFF CRISSINGER
Account Manager/
Site Specific Specialist
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The 2003 cropping season is over, but the period of review and data analysis is in full swing for the members of our

information lab. We have 13,000 acres of high quality data to

look over for the year, which can be quite time consuming. The information lab project has made great strides this season. Our biggest improvement was a dramatic decrease in turnaround time, which is the time lapse between getting our data in and getting useable information back out of Farm Rx. We are a solid two months ahead of where we were during the 2002 season, leaving valuable time for our growers to make important decisions about the next growing season, and about the future of their operations.

This leap in efficiency and dramatic decrease in turnaround time is due to many different tactics that we implemented for the 2003 season, including allowing farmers to use GPS enabled handhelds, progressive database building, and multiple software upgrades. The most credit, however, goes to our progressive group of growers, who were all willing to take on the challenges of learning new processes and procedures in order to better this program.

NuWay Technologies and the growers involved with our information lab and Farm Rx are seeing some very interesting things as a result of our combined efforts. Historical data collection is proving itself quite valuable. This value will likely increase as we continue to build our database, potentially revealing valuable trends in our local agricultural environment.

Trackability and traceability of specialized crops, crop nutrients, and crop pesticides is also a rapidly growing trend. Increased verification and validation will pay extra dividends in the future. Growers with more records will be eligible for more government programs, or will receive higher premiums and payment for their efforts. Growers involved in our information lab are already collecting all of the data and doing all of the things necessary to receive these higher payments and premiums, and the program is set up to easily adapt to new technologies in data collection and validation, such as bar coding.

We will be aggressively looking for growers to be involved in our Information Lab for the 2004 season, with a

goal of 20,000 to 25,000 cumulative acres. Call me at 507-639-6481 if you are interested.

Get paid for doing the right thing

Speaking of government programs and payments, the Environmental Quality Incentives Program (EQIP) is offering some attractive programs to growers.

Growers who do some form of intensive soil sampling and nutrient management, such as 2.5 acre grids and variable rate spreading, are automatically eligible to sign up for a "Nutrient Management Without Manure" contract through EQIP. A grower can sign up 250 acres per year on this three-year contract and get paid \$2.25 per acre per year for a **total payment of \$6.75 per acre**. THAT'S RIGHT! The government will pay for over half of your intensive soil sampling charges.

On top of that, you can sign that same 250 acres up for a three-year "Pest Management" contract through EQIP. This contract will give you another \$1.00 per acre per year for a total payment of \$3.00 per acre for doing what you are probably doing already—creating a pesticide plan and keeping track of what was actually applied throughout the growing season.

These two programs are pretty simple and sensible for growers to take advantage of, and as a grower, you deserve to be rewarded for doing things that are more environmentally responsible. That is the whole point of EQIP. As a Technical Service Provider, NuWay Technologies is authorized to help you with the EQIP program and help you sign up for these contracts.

New Ag Leader® monitors

Finally, Ag Leader Technology has just introduced a new line of yield monitors they call their "Insight" monitor system. This new system has many enhanced features, making your yield monitor more valuable and usable than ever. A few of the new features are industry standard CAN-bus interfacing, a color screen, and an on-screen keyboard.



NuWay Technologies is expanding participation in the Information Lab for the coming crop year. If you are interested, call Jeff Crissinger at 507-639-6481.

Opportunities Outlined as EQIP Sign-up Approaches



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Account Manager/
Comprehensive
Nutrient Management
Specialist
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The 2004 Environmental Quality Incentives Program (EQIP) sign-up is soon approaching, with the tentative sign-up period being from mid-January to the end of March. This

program is a part of the 2002-2007 Farm Bill that rewards producers for making changes in their management practices, resulting in an environmental benefit.

NuWay is promoting three elements of the EQIP program: Nutrient Management with Manure, Nutrient Management without Manure, and Pest Management. The program's contract length is for three years with payments being made each year after the producer completes their nutrient or pest management practices.

In 2003, the state of Minnesota received around \$17 million for all the conservation programs in the farm bill. Of that amount, Martin County received \$100,000 specifically for

spending on EQIP programs. Jackson County and Watonwan Counties each received \$75,000.

For 2004, Minnesota anticipates \$28 million in conservation spending with each county's EQIP funding rising proportionately. Funding will continue to increase until the current farm bill expires in 2007.

What does this mean to you? Money. Depending on the practices involved, you may earn \$1.00 to \$5.00 per acre per year, with a maximum of 250 acres per contract.

Under the contract, a producer must designate a Technical Service Provider (TSP). We ask that you name NuWay Technologies as your TSP. Being your current business partner combined with our agronomic expertise and experience, we will work to provide the most profitable contract for you. Next, we will act as an official of the National Resources Conservation Service (NRCS) to explain, plan, document, and verify management practices.

For further information and opportunities with EQIP programs, please contact me, **Matt Benda**, at NuWay Technologies (507) 639-6481. ■

Plant CRW Only Where Rootworms a Problem

The EPA has granted Monsanto™ registration for YieldGard® Plus corn—the first biotech product to control corn borer and corn rootworm pests. In November, Monsanto gained regulatory approval for this technology from the State of Minnesota.

Plant corn rootworm (CRW) hybrids only in environments where rootworms are present. Last growing season, CRW hybrids were planted on some fields where this pest was not present, but corn borer was. In these fields, the corn borer version outyielded the CRW version.

With the high cost of this technology, it is important to determine that corn rootworm is a problem that CRW hybrids can address with a positive yield response.

Treating seed improves yield

Weather patterns during the 2003 growing season favored

insects such as wireworm, seed corn maggot, and white grubs. Seed treatments like Cruiser®, Poncho®, and Gaucho® offer broad-spectrum control of these secondary pests and improve stand count, which equates to 4% more yield.

For 2004, most seed companies offer seed treatments on many of their hybrids. Treatment costs \$12.00-14.00 per unit, or approximately \$5.00 per acre. With 150-bushel corn at \$2.00 per bushel, a 4% stand increase will net you \$7.00 per acre.

Consensus on spraying aphids

Speaking of pests, did it pay to spray for soybean aphids?

The consensus is that spraying for soybean aphids was well worth the expense, returning on average 10 bushels per acre, according to the University of Minnesota Extension Service. Variability was



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widespread, from a negative response to a 20 bushel positive response, due to factors such as planting data, spray date, weather conditions, variety, insecticide and rate, spray volumes, etc.

Volume discounts on seed

Remember, we can supply you with Asgrow®, Croplan®, Dekalb®, NK® Brand, and Mycogen® corn hybrids and soybean varieties from these five companies, plus Stine® and Thompson. We can also bulk your purchases from these seed companies together to give you volume discounts.

Another advantage of buying your seed through the

Access Deferred or Prepay Pricing with AgQuest Companion Financing



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Come in and talk to us about the AgQuest Companion Financing program. You'll receive attractive interest rates and you can borrow all your operating money in one place, making **NuWay Cooperative** your one-stop shop for crop production inputs—seed, fertilizer, petroleum, crop insurance, and now financing.

The more you buy from your local co-op, the better the AgQuest interest rates. Ask how to get money as low as 2.25% under Prime.

With financing in place, those of you who deferred payment on your fall-applied fertilizer can take advantage of early payment discounts. NuWay offers a 3% discount through the first week in January, a 2% discount through the first week of February, and a 1% discount through the first week of March. Payment on deferred fertilizer is due March 31.

We should have prepay chemical prices by the middle of December as well as

prepay fertilizer prices. With high natural gas prices, this may be an excellent time to lock in your price. Despite the volatility of the market, supplies of nitrogen fertilizer for spring appear to be sufficient at this time.

Chisel plow project successful

On a trial basis, NuWay Cooperative custom-applied anhydrous ammonia with a 34-foot chisel plow to 3,100 acres of bean ground this fall.

The new tillage/application service went over very well. It saved farmers a trip across the field and allowed them to go right into corn after bean harvest, without worrying about getting their ground worked.

If more growers express an interest, we'll probably expand this service next fall. It's a service that must be planned well in advance to bring together the necessary people and equipment. So, if you have any interest in having your NH₃ applied with a chisel plow next fall, contact your NuWay account manager.

And, thanks again for the excellent fall anhydrous and dry fertilizer season. ■

Chemical Pricing Change
We've changed our pricing structure to be more competitive. Check with NuWay Cooperative before purchasing your chemicals this spring.

ANNUAL MEETING SCHEDULED

Notice is hereby given that the NuWay Cooperative Stockholders Annual Meeting will be held at the MCW School in Trimont on Monday, January 5, 2004, starting at 7:15 p.m.

- A meal will be served from 6:00 – 7:00 p.m.
- Drawings for door prizes will be held after the meeting

GAS Check® Finds Safety Hazards. page 4



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