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## Acquisitions Announced

Members attending Centra Sota's Feb. 12 annual membership meeting heard two major acquisitions announced.

First, Centra Sota has acquired the remaining shares of New Vision Alliance, a cooperatively owned feed manufacturing business headquartered at Albany, MN. The transaction, which took effect October 1, 2010, gives Centra Sota sole ownership of the feed manufacturing company headquartered at Albany, MN. Centra Sota, which already owned two-thirds of the company, purchased the remaining one-third from the Cold Spring Cooperative.

"Incorporating New Vision Alliance into Centra Sota will allow us to capture efficiencies over time that will ultimately be passed back to our customers," said general manager Jeff Johnson. The feed business will continue to operate under the New Vision name. The only immediate change New Vision customers will see is a switch to Centra Sota invoicing and statements.

Centra Sota has also reached agreement with Lake Region Cooperative to acquire that organization's 50% ownership in Centra Sota Lake Region, LLC. "This was a win-win for both cooperatives," said Johnson, who noted that Centra Sota will

now have sole ownership of the energy company.

The purchase agreement, which took effect Feb. 1, 2011, includes all refined fuel, propane, and lubricant delivery operations—but not the C-Stores at Buffalo, Cokato, and Maple Lake, which continued to be solely owned by Lake Region.

"Over the years, we've heard from our customers that they would like the ability to do business with one company for all of their input needs—agronomy, energy, and feed," says Johnson "These acquisitions represent two more steps toward putting together a total farm solution for our customers."

For more on these acquisitions, see Jeff Johnson's article, "What These Changes Mean to You" on Pages 2-3. ▶



## Member Meeting Results

2010 was another good earnings year for Centra Sota Cooperative. Members attending their Feb. 12 annual meeting at Annandale learned that the co-op earned net savings (after taxes) totaling \$2.3 million on sales of \$56.7 million.

This past year, Centra Sota also returned \$763,066 in cash to its members through various equity reimbursement programs.

Members re-elected four directors: Douglas Triplett, Annandale; Dennis Lietha, St. Cloud; Steve Sievek, Brainerd; and Don Thomes, Paynesville. ▶

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# What These Changes Mean to You

By Jeff Johnson, General Manager



Centra Sota Cooperative has been involved in a whirlwind of activity over the past few months, with our acquisition on Oct. 1, 2010 of 100% ownership of New Vision Alliance and on Feb. 1, 2011 of 100% ownership of Centra Sota Lake Region, LLC.

I would like to explore in more depth the reasoning behind these acquisitions and what they mean to you, as a customer and owner of this co-op.

You may have heard your cooperative compared to a three-legged stool. Without all three legs, a stool falls. These acquisitions have strengthened the three legs of the stool which is Centra Sota Cooperative. The legs are our three business segments: agronomy, energy, and feed. Depending on your individual operation, each Centra Sota customer needs some combination of these three. Our focus is to make sure we offer the best possible people, products, and services in all three business segments.

Over the years, we have had various levels of ownership (and to be honest, varied levels of internal focus) in these three business segments. Today, our focus is clear and our goal is simple. We've positioned your cooperative to be the leader in all three: agronomy, energy, and feed. With the acquisition of 100% ownership in New Vision Alliance and Centra Sota Lake Region, LLC, we can confidently claim to be the preferred supplier for all of our customers' needs.

Below is an update on each business segment:

## Agronomy

Over the past 10 years, we have made significant investments in agronomy, and this business segment is performing quite well. We will continue acting on our vision to help our producers maximize production. We will do this by:

- Hiring the best people available and investing in their ongoing training.
- Utilizing our Croplan® Answer Plot® at Santiago (now in its sixth year) to learn what we can do to help customers produce more bushels.

In 2010, over 700 people attended one of three Answer Plot Technology Tours. What our team of employees have accomplished there is nothing short of incredible. They've turned a 15-acre weed-infested dry land field



Answer Plot, Santiago.

into a teaching tool admired by our peers around the country. The Santiago plot has been named "Answer Plot of the Year" from 180 locations around the country. That's an honor in which all Centra Sota employees and customers can take pride.

Through our efforts at the Answer Plot and through growth in sales volume of fertilizer, seed, and crop protection products that we have achieved in recent years, we have become a very important customer of major agricultural suppliers. This has given us access to lots of new technology. Access to this technology, and the ability to try it in our Answer Plot, means our customers have an advantage in the marketplace. We've proven we can grow 300+ corn in central Minnesota. Our job is to make that a reality on your farm.

## Energy

Whether you raise crops or livestock, you have one thing in common with the neighbors—you need a dependable supply of energy products: gas, diesel, lube oil, or propane. Farming operations cannot function without energy, but rural suppliers have exited this business at a rapid pace. Farmers are using less than half the products they once did, due to technological advances and larger, more efficient machinery. Meanwhile, expenses are rising and margins are shrinking. This combination has made it difficult for rural energy suppliers to survive.

Our board of directors has taken the position that it is our job to be in this business. Our patrons need a dependable source of the highest quality products, and we are committed to being that source. That is the major reason we acquired 100% ownership of Centra

Sota Lake Region, LLC. Now, we can give this business our undivided attention and apply the full resources we have available.

Now our employees, no matter which division they work in, will be able to talk knowledgeably about your energy needs and the value we can bring to your farm. For instance, we're going to make available many more options for future contracting of fuel to help you lock in your costs.

Once again, it will be our focus in the energy segment of our business to provide you with the best people, products, and service.

## Feed

Centra Sota's feed division was almost non-existent just a few years ago. Our operations at that time were primarily in Wright, Carver, and Sherburne Counties. These areas once dominated by dairy farmers had begun to be affected by urban sprawl. Much of the livestock and demand for feed had shifted.

Our 2006 merger with Upsala Cooperative moved Centra Sota into Stearns and Morrison, two counties with a thriving livestock industry. With the merger, we also gained a one-third ownership in New Vision Alliance which operated a state-of-the-art feed manufacturing facility at Albany, MN. Once again, we were in the feed business.

The addition of St. Martin Cooperative in 2008 further deepened Centra Sota's involvement with livestock producers and brought with it an additional one-third ownership in New Vision. Over the past two years, we have spent a considerable amount of time analyzing this business and what tomorrow's livestock producers will need.

My eyes were opened wide one day a couple years ago when I visited an automated dairy farm with over 1,200 cows, milking 40 at a time on a rotating floor. This wasn't the same dairy business I knew years ago. It became very clear to us that the producer's needs have changed, and that we had to address those needs.

This led to acquiring full ownership of New Vision Alliance from our remaining partner in October of last year. It was truly a win-win deal, and Cold Spring Cooperative remains an important customer of New Vision Alliance.

We must fully integrate that feed manufacturing operation into Centra Sota. The Albany mill is arguably one of the finest facilities in the upper midwest, and we have begun to address how this business will operate into the future. Once again, our focus will be to offer our customers the best people, products, and services in the industry.

## Summary

We have vastly increased the size of your cooperative. What will also increase, as a result of these acquisitions, is our offerings and our focus. Your board of directors has made significant investments on your behalf, with the goal of creating a much stronger Centra Sota Cooperative that can offer all of our customers everything they need to be successful.

There will be a cost savings to us, as a result of these changes; but just as importantly, these changes will simplify how we work with you. Several of our customers have already told me they look forward to getting one monthly statement instead of as many as three statements, as in the past.

The work of completing these transactions is not finished. In fact, it has just begun. Our focus now is to make the changes necessary to fully integrate these businesses into Centra Sota so our customers trust that we can meet all of their needs—no matter what type of agriculture they are involved in.

As always, thank you for your business and support. Without both of these, the success we are having as a farmer-owned cooperative would not be possible. ▀



*Driver Jeremy Beack with new signage planned for all energy division trucks.*

# Don't Forget Those Refuge Acres!

By Tyson Kaldenberg, Centra Sota Crop Advisor



Many of you will plant a corn variety with a rootworm trait on as many acres as possible this spring. All too often, however, the

refuge acres get no treatment for corn rootworm control. Corn rootworm can cause substantial yield loss on these acres—sometimes 20 bu/A or more.

With high corn prices, applying an insecticide to the refuge acres will give you an excellent return on

investment. You can add an insecticide to your liquid fertilizer and apply it in-furrow. You can also apply dry insecticides with insecticide boxes, Lock 'n Load® systems, or SmartBox® systems.

## Secondary pests

Another approach is to apply a reduced rate of insecticide on all the traited acres. This will control secondary pests such as wireworms, grubs, seed corn maggots, and seed corn beetles. The insecticide seed treatments on most seed varieties will control these insects, but

first the insect has to take a bite out of the plant. If the insect population is high enough, you can still have yield loss.

Using a reduced rate of insecticide is a simple, economic method to keep the corn plants as healthy and vigorous as possible. It also helps ensure that every kernel you plant will result in the highest yield possible.

Visit with your Centra Sota crop advisor to see which insecticide will work best for your farm. ▶



# Assisting Growers With EQIP

By Stephen Roerick, Centra Sota Crop Advisor



Are you currently enrolled or thinking about enrolling in an EQIP conservation contract with the Natural Resources Conservation Service (NRCS)? Maybe you are expanding your livestock operation and are required to have a nutrient management plan, but don't

know where to start. With NRCS approval, Centra Sota is expanding its efforts to assist growers in developing nutrient and pest management plans.

The Environmental Quality Incentive Program (EQIP) offers technical assistance, cost-share payments, and incentive payments to assist agricultural producers making environmental and conservation improvements to their operations. Manure management plans, for instance, help producers properly place nutrients on each and every acre.

The NRCS approves Technical Service Providers (TSPs) to work with agricultural clients to implement conservation practices (using Best Management Practices) that result in profitable and sustainable farms. You'll find several approved and well-trained TSPs on the staffs of local Centra Sota agronomy centers.

EQIP cost-share payments defray the cost of the TSPs services—which include guiding you through the regulations and paperwork involved in putting plans together.

Sign up for EQIP at your local NRCS office, and then visit a Centra Sota agronomy center to find a knowledgeable TSP.

*NOTE: Although EQIP has a continuous sign-up period, be sure to watch local cutoffs for funding consideration within a cropping year. ▶*

# Place Each Seed With Precision

By Todd Holland, Precision Planting Technician



Planting corn is no longer a matter of pulling your planter out of the shed, dusting it off, and heading for the field. With \$6/bu corn and some seed costing \$300 a bag, everything you do to get your planter ready for spring is magnified.

We're here to help. Precision Planting® specialists in our Santiago Ag Center have been busy this winter cleaning, testing, and refurbishing our customers' planter meters—both finger and vacuum types—using a Precision Planting® Meter Max® Test Stand. If there is still time, they'd be happy to do the same for you. But that's not my main point. I want you to think about the spring of 2012.

Precision Planting is much more than a manufacturer of test stands. They make a 2020 SeedSense® monitor that tells you exactly what your planter is doing. When every other monitor says you are planting a population of 30,000, the 2020 SeedSense looks at each individual seed. It gives you spacing, checks for single and doubles, and tells you the ride quality. It does so much more than a basic monitor.

To the SeedSense you can add 20/20 AirForce™ which controls the factory airbags already on your planter—or you can add bags to control the ride. The 20/20 AirForce optimizes down force for any soil, any weight, in real time, all the time—maximizing your field and making you more money.

Last year, Precision Planting introduced their RowFlow™ module, which when mounted to the SeedSense monitor, puts population and swath control at your fingertips. RowFlow gives you the ability to do variable rate planting using many file types. Import VRP prescriptions or build your own. For example, with RowFlow's AutoMap function you can load county soil-type maps onto a USB stick and plug it into the module. Drive the perimeter of the field and the map for that geophysical reference will be displayed on your monitor, allowing you to assign populations for each soil type right in the cab.

RowFlow's swath control option runs both the hydraulic

drives and row clutches, shutting the rows off automatically as you're coming into headlands to save money and make every seed count.



2020 SeedSense® Monitor with RowFlow™ module. (Courtesy of Precision Planting®)

In 2012, Precision Planting will offer a kit to convert the old 7000 finger planters to vacuum. Headquartered in Trimont, IL, this family-owned company has hired a lot of former John Deere engineers, so these guys know what they are doing.

Think about it this spring as you cross your fields. You have only one shot at making sure you're getting each seed for each year's crop in the optimal place. Why not take advantage of technology that can help you do just that.

Plan ahead for 2012. Call me at Buffalo (800-524-3835) or Kevin Rollings or Nate Hood at Santiago (763-662-2285)

to learn more about Precision Planting. ▶

## Our Newest Crop Advisors

Join us in welcoming Matt Brennen and Doug Young to Centra Sota Cooperative's agronomy team.

Matt is very excited to join the staff at our Cokato agronomy plant. He brings with him years of valuable agronomic experience.

Doug brings enthusiasm and a can-do attitude to the Albany and St. Martin areas and is anxious to meet the many farmers in that area.

Both Matt and Doug joined our team of crop advisors the first of February. ▶



Matt Brennen



Doug Young

# Energy Joins Agronomy & Feed for Total Solution

"Our goal is to build our current customer base by servicing more of the co-op's farmer-members with high-quality energy products," says Howard Reinhardt, named energy division manager after Centra Sota Cooperative assumed sole ownership of Centra Sota Lake Region, LLC. (See story on page 1.) "We're already picking up new customers who have been pleased with the co-op's agronomy services and are expecting the same kind of treatment on the fuel side," he states. "Centra Sota is now in a position to bring a total farm solution to its members.



*Howard Reinhardt*

Other benefits will surface over time. "They'll start seeing a more streamlined service," says Howard, who plans to install electronic monitors in all fuel tanks to reduce customer fears of running out. "Our ultimate goal is to remotely monitor tank levels of all customers as an extra value to being a Centra Sota customer," states the energy manager, noting this service will be free of charge.

The co-op's energy division will also give energy customers more options for contracting and prepaying their future needs. "Many pre-paid their propane at \$1.699/gal last summer, and propane purchased off the truck is now \$2.15/gal," Howard says, adding, "We'll offer our customers more opportunities to manage risk this way."

Customers will see only a few outward changes in the way the energy provider does business following the Feb. 1, 2010 purchase.

One change will be receiving only one statement, instead of two or more. "Farmers who bought agronomy products from Centra Sota Cooperative, energy products from Centra Sota Lake Region, and feed products from New Vision Alliance in the past would receive up to three separate monthly statements," he states. "Soon they will receive only one statement regardless of what they purchase."

They will also see new decals on the energy division's fleet of trucks, with Centra Sota Cooperative's logo replacing the previous graphics. (See truck photo on page 3.)

A clear benefit of the acquisition is the potential that Centra Sota Cooperative members who purchased their energy from the LLC will receive additional patronage going forward. In the past, they received patronage based on 50% of their purchases. With sole ownership, patronage will be allocated on 100% of their purchases.

"I'm excited at the opportunity that has been given to us," he states. "By purchasing 100% of the energy business, our board affirmed that energy will be a staple in the way we service our customers in the future—along with agronomy and feed."

Howard says the same staff dedicated to its energy customers under the previous ownership will continue to give top-notch service while emphasizing safety. "I'm very picky about performing regular leak checks on customer systems and keeping our equipment up to code," he states, "and so is our service department."

The energy division manager is also excited about working together with the other Centra Sota divisions. "Whether we're agronomy, feed, or energy employees, we'll all be acting as a team to bring a total solution to our customers needs," he concludes. ▀

## Well Done, Ron!

St. Martin location manager Dave Doll (left) presents crop advisor Ron Karels with a plaque on his retirement. The plaque commemorates his 30 years of dedicated service to the cooperative. ▀



# Same Name, Same Look, Better Positioned

By Ken Stalboerger, Manager, New Vision Alliance



On Oct. 1, 2010, Centra Sota Cooperative became the sole owner of New Vision Alliance. (See story on page 1.) As a customer of New Vision Alliance, you probably did not notice a difference. That is by design. Under our new ownership, you will see the same trucks delivering feed to your farm and will work with many of the same people. The only visual change planned is conversion to Centra Sota statements.

Behind-the-scenes changes and what they will mean to the profitability of your farming operation are significant. Since our administrative responsibilities have been largely transferred to Centra Sota, the New Vision staff will be able to spend more time focusing on bringing you high-quality animal nutrition products and know how.

With Centra Sota's three smaller milling operations added to our Albany mill, we're looking at how to bring a wider variety of value-added products to your farm. We hope these smaller mills can address some things the larger Albany mill does not accommodate well—like bagging, manufacturing smaller batches, and addressing textured feed issues.

We intend to build our relationship with partners like Land O'Lakes® and Vita Plus, while moving steadily

to a Centra Sota-employed sales force that will team up with the co-op's agronomy and energy divisions to bring a total farm solution to your farm. The first evidence of that is hiring Dr. Jake Reed as our full-time ruminant nutritionist.

As implied above, our acquisition by Centra Sota will mean a savings in administrative expense, which will immediately be invested in upgrading to our computer system with new accounting and grain software. The result will be a higher level of service for customers like you.

All of us at New Vision Alliance are very excited about our position within Centra Sota Cooperative. We're realizing our dream of putting the feed businesses of many owners under one management system, which allows us to bring the best nutritional solutions to your livestock operation.

Same name, same look, better positioned to serve you—says it all. ▀



*Despite recent challenges in the livestock and poultry business, New Vision's Albany mill is manufacturing feed at a rate of 565 tons of feed per day—a record high.*

## Putting Up High-Quality Forages

By Dr. Jake Reed, Ruminant Nutritionist



With the current high feed costs, one big step to profitability is putting up the very best forages to reduce the amount of purchased feeds you must bring onto your farm. After cow comfort, quality forages have the greatest influence on milk production.

Right now, you should be making plans with your Centra Sota crop advisor to fertilize and control pests in your forage crops, with the aim of producing the largest quantity possible.

Looking toward harvest, you'll want to concentrate on cutting these forage crops at the optimal maturity, putting them up at the right moisture, and packing them into your bunker. Microbial inoculants can help with the

fermentation process and preserve forage quality.

New Vision Alliance, a Centra Sota brand, offers inoculants with specific strains of bacteria for preserving alfalfa or corn silage. Sit down with your Centra Sota nutritionist before spring arrives to determine which inoculant is right for you. If you are not currently working with a nutritionist, contact our feed sales manager Wayne Holck at 320-845-4086 to be introduced to one.

**EDITOR'S NOTE:** Centra Sota Ruminant Nutritionist Jake Reed received his PhD from North Dakota State University and has worked with dairyman in central Minnesota for almost three years as an employee of Land O'Lakes.® He joined Centra Sota in Oct. 2010. You may reach him by calling New Vision Alliance at 320-845-4086. ▀



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# Year 6 Answer Plot Tours at Santiago

By Kevin Rollings, Centra Sota Croplan DSM



The 2011 Croplan® Answer Plot will focus on showing mid-Minnesota farmers how to grow over 250-bushel corn.

Many growers tell us they're watching combine monitors push past 250-bushels in certain areas of their fields. At the Answer Plot last year, our highest recorded yield was 299 bu/A with Croplan 3514VT3.

Emphasis in this year's Answer Plot will be on the following factors:

- Corn and soybean emergence
- Rooting patterns of various crops
- Corn's response to population
- Corn: A fixed- or flex-eared plant?
- Comparing stay-green with fast-die, fast-dry and how to manage those two hybrid types
- Traits in refuge
- Response to nitrogen
- Response to fungicides

If you've never seen an Answer Plot, attend our first Grower Tour on June 18, and you'll be amazed at the difference between the run-of-the-mill variety plot and this premier demonstration plot designed for ongoing

education and research.

If you've been to the Answer Plot before, you'll probably want to make as many of the 2011 Grower Tours as possible. They're scheduled strategically throughout the crop production season so we can deal with different subjects each tour. Here is the year's schedule of Grower Tours and some of the subjects to be covered.

## 2011 Answer Plot Growers Tours\*

### SESSION 1 – JUNE 15 (includes Row Spacing Demo)

Subjects: Plant emergence; following up fertility programs on corn and soybeans; demonstrating seed treatment value; corn and soybean emergence; planter demonstrating the value of spacing plants.

### SESSION 2 – JULY 14

Subjects: Insect control in soybeans; fungicide application

on corn and soybeans; tissue testing and foliar application; rooting patterns; the value of inoculants; the push for 100-bushel beans.

### SESSION 3 – AUGUST 18 (includes Forage Demo)

Subjects: Increasing corn silage tonnage; dual-use silage verses silage-only hybrids; optimal cutting times; winterization of alfalfa. Roundup Ready® alfalfa technologies; drought-tolerant corn traits verses refuge requirements; refuge-in-a-bag; flex- verses fixed-ear types; Roundup Ready 2 Yield® beans; four seed companies on hand.

\*Contact your Centra Sota Crop Advisor for tour times and a ride. ▶



Growers attending Answer Plot tours find solutions for their most troubling crop production issues.