



# Fessenden Co-op Assn. NEWSLETTER

Vol.9 No. 2

Fessenden, North Dakota  
[www.fesscoop.com](http://www.fesscoop.com)

August 2005

## Manager Comments

Hello Everyone,

Harvest has officially started and so far the quality is in a wide range. We've seen winter wheat in the 10 to 13 protein range and test weights of 58 to 61 pounds. The barley is from .3 to 3.0 vom and for the most part, low protein and 70 plus plump.

We will have some space for delayed pricing wheat before we go cash and all other grains will be cash at this time. Another alternative to cash for wheat is a basis contract. Please let us know if you want to do a basis contract prior to delivery. Also, make sure your truck drivers know your intentions when they deliver grain. If you share crop we need to know names and splits and also if it is applied to a cash contract or delayed price contract we need a signature on the contract. Most of our stations will have limited space for malt barley since we need to keep each patron's barley separate until vom tests can be run. We also may encounter problems getting the malting companies to accept delivery at a timely pace during harvest. Since we cannot afford to fill the elevators with malt barley that can't be shipped for a couple of months, we may have to dump it as feed at harvest just to keep the movement flowing. There are quite a few acres of peas in the area and we will be handling them at most of our locations. **We will not be doing LDPs on feed peas. So make sure you have a 709 signed at the FSA office prior to delivery.** Check with your station manager for daily prices and availability of space.

At the present time, the CP has been keeping up with freight demands and have assured us that they have their ducks in a row for harvest this year. I have a hard time believing that it will remain that way, but I do feel they will perform pretty much on time through the small grains harvest. I see things getting congested when we get into the soybean harvest. The BN's performance has faltered already for the less than shuttle train shippers and freight costs for single cars and up to 50 cars is higher on the BN versus CP at this time.

Your Co-op is having a good year, very similar to last year for the first half. Sales through the end of June are up about 1.5 million dollars over the same period in 2004. Our biggest struggle this year has been the pinto bean market. We have managed to get some new sales on in late July but the market for the old crop is still extremely thin. Currently the buyers are more interested in new crop at much lower values.

With a little cooperation from Mother Nature and the railroads, we should end up with another very good year. We appreciate your business and you may call me anytime with questions or concerns. Have a good harvest.

Mark Hovland  
[mhovland@fesscoop.com](mailto:mhovland@fesscoop.com)

## Market Talk:

Harvest has started for winter wheat and barley with spring wheat not far behind. We are seeing some lighter test weights in the winter wheat and some higher voms in the barley, all other factors look good. Talk of scab has surfaced in the spring wheat but the samples we have tested in the Carrington area have looked good. The futures market in wheat will continue to follow the other grains, as we will have a slight increase in ending stocks in the U.S. and a slight decrease in world stocks. Basis levels have stayed steady into harvest due to the slow start to harvest and light farmer selling. We would expect basis levels to deteriorate as harvest progresses.

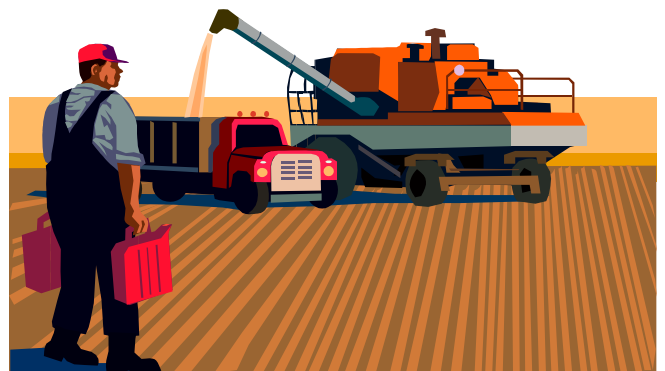
The fall crops are a volatile lot with tight carryout numbers in the soybeans and sunflowers and possible production problems due to drought in the soybeans and corn in parts of the Midwest. We look for these markets to carry a premium into harvest and then we will have to see what the yields actually are before we find a definite direction for these markets.

Flax, all you can say is more acres and there seems to be a lot around. The flax crop in Canada and the U.S. look to be in very good shape. The EU and Eastern Europe got their crop in early and it is looking good. We would look for this crop to come under pressure as we get into flax harvest.

China in 05/06. It looks a though China may import less wheat from the U.S. in this marketing year than they did last year. This would be due to Canada having a better quality crop than they did last year. We are also seeing less exports of beans this fall as the South Americans have held on to some beans and are selling to the Chinese as far out as October. This time slot is traditionally a good U.S. export time to China.

We hope you all have a safe and bin busting harvest.

Mark Pederson  
[mpederson@ccgrain.com](mailto:mpederson@ccgrain.com)



# Department Notes

## Chemical Dept-

Pre harvest is just starting in the area. We are applying 1 quart of glyphosate, ammonia sulfate 9# and the ground application for \$8.00 per acre. Please come in and do maps for spraying, we need to give you WPS information.

I have had customers asking about the price of Anhydrous Ammonia. You need to visit with Kenny Rexine about that as he does all the buying of this product

Kevin Roller, Plant Manager  
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## FARMERS SHOULD BE CAREFUL TO MAINTAIN ELIGIBILITY FOR LDP'S

The FSA has strict rules about maintaining Beneficial Interests in commodities. Beneficial Interest means having title, control and risk of loss. If the patron loses one or more of these he loses beneficial interest.

Generally speaking, if the patron has a contract for delivery of grain, FSA considers the first bushels delivered to be applied to that contract. Here is some of ND FSA Notice LP-2084 issued August 2004: **“Based on OGC (Office of General Counsel) advice and beneficial interest regulations, when a producer delivers to a buyer that holds the contract for the commodity, the first quantities delivered are considered applied to the contract and beneficial interest is lost upon delivery. That is true even if the buyer attempts to identify the delivered quantity as “stored”**

This refers to priced later, delayed price and deferred payment contracts as ones that, as a general rule, mean transfer of title and therefore loss of beneficial interest.

***It is the patrons responsibility, not the elevator's, to see that beneficial interest is retained.*** There have been some instances in the past where we have been asked to delay the application of grain delivered to outstanding contracts. This DOES NOT WORK under the FSA rule mentioned above. Patrons who think they are getting around that by making the request to delay application of grain are risking the loss of beneficial interest and their LDP. If we would participate in such practices we could find ourselves crosswise with the FSA and patrons who have relied on incorrect assumptions and lost their LDP.

FSA will review contracts to see if there are exceptions to the general rule in them. FSA advises having a 709 Form in place to set the LDP on the day of delivery!

## Fertilizer Trends-

We wish everyone a safe and successful harvest. Also we appreciated and **thank you** for your business.

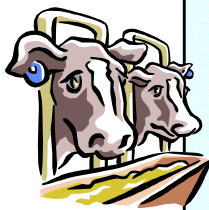
With natural gas prices high, Nitrogen prices are strong and holding. The Phosphate prices is up about \$20.00 from last fall.

For prices on fertilizer, in plant or on farm, give me a call at 701-547-3293.

Time for Soil Testing will be coming soon. Stop in to sign up for us to do your soil testing or pick up some test sheets.

For all you seed, feed and fertilizer needs, stop in or give me a call.

Ken Rexine, Plant Manager  
[krexine@fesscoop.com](mailto:krexine@fesscoop.com)



**Feed:** Fessenden Co-op carries a complete line of Land O Lakes/Harvest States Feeds. Call Kenny at 547-3293 or stop in and see him, he will be able to assist you with all your livestock feeding

Main Office	Bean Plant	Fert Plant	Chemical Plant	Esmond	Esmond Fert	Heimdal	Hamberg	Manfred	CCG	CCMP	New Rockford
547-3291	547-3354	547-3293	547-3327	249-3351	249-3224	547-3154	547-3844	547-3582	652-2828	652-1990	947-5712



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