

Skyland Grain

At your service. **125 Years of Experience at Kingman Farm**

When Kenny Bock tells about his family farm, he speaks in terms of generations, decades ... and even centuries. Kenny's great-grandfather, Henry Bock, came from Cologne, Germany, in 1892, and homesteaded 40 acres just southwest of Kingman. Now, 125 years later, Bock Farms raises irrigated and dryland crops on 2,500 acres, and has a cow-calf operation with about 3,000 acres of pasture in Kingman County and southwest Reno County.

Today, Kenny and his wife, Nancy, live on the original homestead in the home where his father was born in 1928. Kenny and Nancy have seven children—five daughters and two sons. His oldest son, Tyler, is now the fifth-generation farmer on this thriving family farm. (Plus, they have six grandchildren making up the sixth generation of Bocks!)

"Starting with my great-grandfather, the Bock family was dairying here for 105 years at the home place," says Kenny. "We liquidated

the dairy in 1997, and it was about that point when our farm became very active in the local coop."

As a dairy, Bock Farms was milking over 300 cows, so they utilized virtually all of their grain. But once they were out of the dairy business, they had several hundred thousand bushels of grain a year to sell—and that's when it became very important to be part of the coop, Kenny explains.

"The coop is our lifeline from farm to market."

"In this day and age, with the way farmers turn crops, double crop and use irrigation, it would be tough to survive without coops," says this active patron and board member of Johnson Cooperative Grain and Skyland Grain LLC. Farmers would need to have on-farm storage, supply their own trucking,

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Skyland Grain LLC
Corporate Office
304 East Highland Ave
Johnson, KS 67855

Ph: 620-492-6210
Fax: 620-492-6829

Eastern Region
Administrative Office
109 East 1st Street
Cunningham, KS 67035
Ph: 620-318-6050
Fax: 620-318-6019

SWKS LLC: 620-492-2616

www.skylandgrain.com



Bock Farms sits on the southwest corner of the Kingman city limits.

125 YEARS OF EXPERIENCE...

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have a source for chemicals and fertilizers, and then have a means to market their own grain—all the while trying to make ends meet. As Kenny puts it, “The coop is our lifeline from farm to market.”

There's also real value in stepping up to serve on a coop board, says Kenny, who has served on the coop boards for nearly eight years, starting with the Cairo Coop Equity Exchange. “By being on the board, I have a different understanding of how the coop works, and what we need to do to keep it alive,” he says.

Kenny sees the trend toward joint ventures and mergers as both positive and necessary. “I believe that complacency in today's market will get you in a lot of trouble. Just sitting back and thinking, ‘We're just fine, let's poke along here and keep doing what we were doing’ ... I think that is going backwards.”

He also notes that the balance sheet isn't the only reason for cooperatives to merge. There's also the opportunity to consolidate talent, retain talent and attract young people coming out of college.

As for Bock Farms, there's been plenty of talent ... and wisdom ... watching over this farm for the last 125 years. And there's sure to be more knowledge gained as the next generation of Bocks shares the appreciation for the family farm. ◦

The Bock family includes, bottom row, left to right: daughter Angie and Josh Beck; daughter Emily and Darren SanRomani holding Finley; Kenny and Nancy Bock; daughter Tammy and Adam Hook holding Marshall; parents John (passed away September 2016) and Dormalene Bock; daughter Shelly and Ryan Deveney holding Emmett. On tractor, left to right: Boston Bock; son Casey Beck; Lexee Beck; Myla Hook; son Tyler Bock; daughter Katie Bock.



A FEW NOTES AS WE HEAD INTO SPRING



MERGER GETS A BIG THUMBS-UP



By David Cron
CEO
Skyland Grain LLC

The Cairo vote to merge into Johnson Cooperative Grain (DBA Skyland Coop) was approved by 91% of members. We're excited about the efficiencies this merger will bring.



NEW APPROACH TO ANNUAL MEETING

Mark your calendar for our first joint annual meeting since the merger. We will meet in two locations so all members will have the opportunity to vote and participate. This will also allow us to expedite the equity retirement program for Cairo members. The two meeting dates are: May 19 in Cunningham and May 23 in Johnson. Watch for more info in April.



PAT ON THE BACK FOR EMPLOYEES

Skyland employees worked really hard to handle last year's record grain volume. Now, they're busy picking up piles and moving grain to make room for 2017 harvests. We really appreciate their efforts.



SINCERE APPRECIATION FOR YOUR BUSINESS

We know you have choices of where to take your grain, and we appreciate you bringing it our way. Skyland is in a very good position to handle your business in the years ahead, and we look forward to serving you. ◦



WINTERTIME WORK READIES YOUR COOP FOR THE YEAR AHEAD

Over the winter, your Johnson board of directors has done an excellent job of planning ahead for our future. We just completed merging Cairo Coop in with the Johnson Coop, and we'll be doing business as Skyland Coop. The merger won't affect day-to-day operations whatsoever. Skyland Grain



By Steve Arnold
Johnson
Board President
620-492-3030

LLC will still function as the operating realm of the company—where members sell grain and get agronomy inputs. The merger is more to protect the patronage and equities of our members on the coop side, as well as making us more efficient overall.

You also might have noticed we're tearing down the old office in Johnson that was damaged in a storm a couple of years ago. We're also demolishing the old locker plant and an abandoned filling station. It's good for Johnson to clear

out these facilities that we've outgrown or don't use.

TAKE ADVANTAGE OF WHAT YOUR COOP HAS TO OFFER

With spring just around the corner, it's a good time to check with Matt Overturf, Skyland's grain manager (see Matt's article on page 5). He has some excellent marketing tools to help you spread your risk. Also check with your area agronomy team for customized plans to help you this spring. ◦

Ask Us to Deliver!

- All agronomic inputs including chemical, fertilizer, seed
- No-cost chemical delivery to your farm begins with a quick phone call to your local Skyland Grain facility today!

OUR MISSION STATEMENT CONNECTING OUR PRODUCERS TO THE WORLD.

WE BELIEVE:

- All our interactions will be conducted with integrity and responsiveness.
- The safety of our employees and communities is paramount.
- Environmental stewardship is our responsibility.
- Sustainable growth is essential to our future.
- The success of our producers contributes to our success.
- Our financial strength is crucial to our stakeholders.

Agromony

TIME TO MAKE FERTILIZER AND CHEMICAL DECISIONS

FERTILIZER ORDERS:

THE SOONER, THE BETTER

Because of low commodity prices, there was speculation that fertilizer would fall off in price. Unfortunately, that's not happening. In fact, we're starting to see fertilizer prices creep upwards.

What's the reason for this increase? For starters, because of lagging grain markets, the U.S. didn't import as much fertilizer as in the past. Plus, some new production facilities were expected to come online last fall here in the U.S. As it turned out, those plants didn't start producing until after the first of the year.

Now, all that's catching up with us. There's more demand than supply—and you know what that means: higher prices. So if you haven't already placed your fertilizer order, we recommend you jump on it right away.



By Justin Ochs
Agronomy Manager
620-492-6210

Also, resist the temptation to cut back on fertilizer. It's vital to replenish the fertilizer last year's big crops took out of the ground. And remember, with these low commodity prices, yield is king. It's always better to have a lot of bushels at a low price, than limited bushels at a low price.

CHEMICALS: A LITTLE BRIGHTER STORY

A lot of our main chemicals have actually come down in price. So unlike last year—when many of you used a plow or sweep to kill weeds because of higher chemical prices—it's looking like chem fallow will be a good option this year.

Remember, Skyland offers chemical delivery, as well as chemical application. Give us a call, and we'll help you get going on pre-spring weed control. ◦

EASTERN AREA:

Aaron Murphy, 620-318-6050

Kyle Banks, 620-546-3447

WESTERN AREA:

Justin Ochs, 620-424-7772

Curtis Schweizer, 620-952-1454

Doug Seemann, 620-492-5154

Or contact your local service location for additional details.

2017 SCHOLARSHIPS: SKYLAND COMMITS \$30,000 TO SUPPORT EDUCATION

APPLICATION DEADLINE IS APRIL 1

Skyland will award \$30,000 to students graduating from high school this spring. It's all part of our ongoing commitment to the communities we serve.

- Available to graduating seniors who will be pursuing an agricultural or business-related education
- Awarded to students planning to attend a four-year college, two-year college or technical/vocational school

For full details, including requirements and application forms, visit skylandgrain.com, click on Programs and then Scholarships

2016 SKYLAND SCHOLARSHIP RECIPIENTS

4-YEAR SCHOOL

Braden Fountain—Maize High School

D'Lance Dawn Doyle—Walsh High School

Braden Scott—Ulysses High School

Ryan Morris—Stanton County High School

Saige Twiner—Pratt High School

Laura Geven—Syracuse High School

2-YEAR OR TECHNICAL/VOCATIONAL SCHOOL

Cole Walters—Kingman High School

Christopher Weisenhorn—Holly High School

Taylor Jones—Stanton County High School



THREE CROPS: WHAT'S AHEAD FOR EACH IN 2017?



1. WHEAT

We're still sitting on plenty of wheat in the U.S. and worldwide, so that means bearish prices. However, from a bullish standpoint, we have the lowest number of wheat acres planted since 1906. Add to that the fact that we're short on rain in western Kansas. Plus, the warm winter raises the concern that wheat will break dormancy and that potentially sets us up for a late freeze. As always, the weather will tell the final story.



By Matt Overturf
Grain Division
Manager
620-492-6210



2. CORN

Right now, the U.S. is sitting on our biggest corn stock number ever—largely due to the record corn crop in 2017. That usually sets up a bearish pattern. However, there's talk that 2 to 4 million acres of corn will be switched to soybeans this year—which would be corn friendly. We'll know more when the USDA report comes out in March.

We're also keeping an eye on the biggest customer for U.S. corn: Mexico. Now there's a political twist to that relationship, and no one is quite sure if or how that might affect our corn exports south of the border.



3. SOYBEANS

We don't grow a lot of soybeans in the western third of Kansas. But right now, from a profit standpoint, beans probably pencil better than any commodity. That's why there could be a big switch away from corn to beans.

The other side of that is we're coming off of a record bean crop here in the U.S., and Brazil looks to have a record bean crop—which they're harvesting right now. Yet surprisingly, at this writing, soybean prices are \$1.50 higher than a year ago.

WHAT'S NEXT?

The bottom line is this: There are going to be opportunities to market next year's crop. The most important thing is to have a plan. We have a variety of contracts to offer you. Give Tony Loehr or me a call, and we will help you develop a plan. ◦



THE REAL GRAIN FORECAST

As always, the weather over the next 60 days will be the main driver on grain markets.



Skyland Grain LLC
304 East Highland Ave
Johnson, KS 67855

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SAVE THE DATE FOR ANNUAL MEETINGS:

EASTERN AREA

Friday, May 19, 6:30 p.m.
Cunningham High School

WESTERN AREA

Tuesday, May 23, 6:30 p.m.
Johnson Senior Center



www.skylandgrain.com

ENERGY UPDATE: HIGHER PRICES LIKELY IN THE COMING MONTHS

In our last newsletter, we discussed the pending agreement between member OPEC suppliers and some non-member suppliers to cut oil production in order to support higher crude prices. At this writing, reports show there is a 90%+ compliance for the 1.2-million-barrel-per-day cut that OPEC and Russia agreed to. With this reduction in output, along with the IEA's (International Energy Agency) recent report of world growth demand estimating an increase in usage this year, we see a more balanced production-to-usage ratio. This would reduce the world oil glut and support higher prices going forward.

UPTICK IN PRICES AT LOCAL PUMPS

With an increase of \$10/barrel for crude after the OPEC announcement late last fall, we have held in a tight trading range of \$50–\$53/barrel since then. This has equated to a 20¢–25¢ increase in refined products at the pumps.

Going forward through 2017, we still expect some volatility due to the tightening supply (if OPEC continues with its reduced output) during high-demand times in the spring, early summer and late fall. Refinery glitches can also cause shortages and spikes in prices. Plus, it has been some time since there's been a disruption of supply due to a hurricane in the Gulf of Mexico—and that's always a possibility in late summer and fall.



By Paul Sack
Southwest Kansas
Coop Services
Energy Director
620-492-2126

CONTRACTS OFFER PROTECTION AGAINST PRICE SPIKES

We recommend patrons lock up a portion of this coming season's fuel usage to protect against price spikes. Just call our office and talk to Cam Walker, Garrett Hodges or me about contracting: 620-492-2126 or 800-869-0727.

Thank you for your continued patronage. As always, feel free to call us with any questions or concerns. ◦

