



**THE
FOWLER EQUITY EXCHANGE**

Fowler, Kansas 67844

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NEWSLETTER

"Keeping in touch with your cooperative business"

May - June 2007

Manager's comments

By Bob Bender


At the time of this writing, many of you are struggling to get the spring crops planted. Mother Nature has been very generous with the rains this spring. That's something we are not accustomed to in this area. Our subsoil moisture is plentiful and conditions look good going into this new crop year. Wheat in this part of the country looks great and looks as if we survived the freeze damage that is prevalent in the central part of the state.

Your cooperative is preparing for a good wheat harvest and we hope to have ample room for handling the crop. Finding space to take care of this fall's crop may be more of a challenge, but rest assured we will strive to make enough room to accommodate your needs.

Grain prices have remained at fairly good levels compared to previous years. The U.S. demand for renewable fuels is the main reason for this. The ethanol industry is a great help in strengthening grain prices in the U.S. and farmers need to be taking advantage of these higher prices. As most of you know, they will not last for ever. We have already purchased almost half of the corn crop for this fall in forward contracts. This shows many of you are indeed taking advantage of these pricing opportunities. We thank you in advance for your grain business.

As you all know, fuel prices have risen

The Fowler Equity Exchange
Annual Meeting
Tuesday, June 5, 2007
at the
Fowler Grade School Auditorium



The business meeting begins at 7:30 p.m.

dramatically during the last several weeks. Increased demand due to the spring planting season as well as other events happening in the Middle East are the main reasons for this. It seems like whenever a little bump in the supply occurs, the prices go up. Hopefully, they will stabilize and head lower in the near future.

Your Fowler Equity Exchange is already into a new fiscal year and the auditors should be here in late May to conduct the audit. It looks like we will have another profitable year, but down substantially from last year due to the much lower grain volume we handled.

*Please turn to **Manager** on page 2*

Manager

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Details of last year's operations will be shared with the members at the annual meeting scheduled for early June.

The devastating tornado that struck not far from here in Greensburg should remind us all to be thankful for what we have. So often we all, including myself, take for granted all the good things that we have in our lives.

As always, if you have any questions or concerns about your cooperative, please call me or stop by the office. Thanks for your business! **-TFEE-**

Grain Department notes

By Dan Mahieu

I pinch myself occasionally just to make sure I'm not dreaming. This year the wheat in our area really looks good! It's been several years since we have had a wheat harvest that filled the elevator, but this one could do it, depending on the next two cards Mother Nature deals us. It's a long time until harvest when the wheat looks as good as it does!



The Fowler Equity Exchange

P. O. Box 350
Fowler, KS 67844

Directory

Office

Phone	620-646-5262
FAX	620-646-5372
E-mail	fowlerequity@rurallink.net
Fertilizer Department	620-646-5428
Service Station	620-646-5284

Officers and Directors

Jay Lundeen	Chairperson
Dale Zortman	Vice Chairperson
Doug Heinz	Secretary-Treasurer
Brent Post	Director
Kyle Lewis	Director
John Thomas	Director
Jesse Frazier	Associate Director
Bob Bender	General Manager – President

Many of you are finishing corn and bean planting, and by the time this letter is mailed, most will be finishing milo planting. It has been a little tough trying to get caught up working ground and trying to spray between the rains we have received. I haven't heard anyone complain about too much rain yet!

As you begin preparing for wheat harvest, don't forget your storage bins need a little preparation too. Try to keep the area around your bins clear of weeds and debris. The bins also need to be sprayed inside and outside around the base of the bin. We have products available at the elevator for your bin spraying needs. If you have any grain still on the farm, you need to keep your good eye looking for insect activity in or around your bins as temperatures heat up. Check the top surface of the grain mass for moisture condensation.

Our Equity board has moved to the next phase to improve receiving and handling grain from our 15,000 bushel leg. We will be able to move grain to the south concrete elevator at the same speed as the leg. The new drag conveyor should be ready for fall harvest. This conveyor could feed grain to any storage that would be built west of the elevator, if needed, at a later time.

We've been busy vacuuming out bin bottoms in the south elevator. Normally, we don't put wheat in the south elevator, but this year could be the year it's needed.

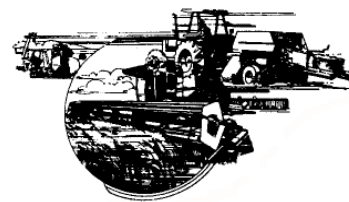
We wish you a safe and plentiful harvest. Hope we see you at the annual meeting June 5! Thanks for your business! **-TFEE-**

Fertilizer Department

By Don Burdett

What a difference there can be from one year to the next! A year ago, the corn in the area was all planted by the first of May. This year, some of our producers are nearly finished, but many still have a long way to go as they deal with wet fields.

As you probably have noted, nitrogen fertilizer prices are very comparable to those of last year at this time. However, the cost of phosphorous fertilizers is somewhat higher. So far this season we have been able to keep a supply of both products on hand which would



seem to indicate supplies are adequate in the industry.

Moisture has been plentiful this spring and we escaped the freeze damage in our growing wheat which looks good right now. The central part of the state did not fare as well so far as the freeze damage is concerned. After the recent tour of the state, the “experts” are predicting an overall average wheat crop for Kansas. Some of our patrons have been telling us there are some rust problems developing in the wheat. In fact, some aerial spraying has been done to control it.

The moist conditions have brought on mosquito problems in our area. We can get insecticides to treat for them if you are interested. Contact us at the Fertilizer Department for details.

Have a good, safe spring. Let us know if we can be of service as you plant your spring crops and prepare for wheat harvest. **-TFEE-**



From the Service Station

By Brent Copeland

First I want to introduce Mike Valdez, a new employee at the Service Station. Mike started work with us in mid April and is from Minneola. We are happy to have him here.

Tire Sale —

We hope you all took advantage of the May Tire Sale. If for some reason you could not be here, we still have a good line of quality passenger, light truck, and implement tires available. Special orders can be placed in case we do not have exactly what you need.

Harvest preparations —

Wheat harvest is only a few weeks away. Now would be a good time to bring your trucks and other equipment in for service, new tires, etc. It is easy to put that off and then there is a big rush the first day or two when cutting begins. It works best when you call ahead for an appointment. That will save you time, and we can make more efficient use of our time and equipment.

Summer vacations —

Summer vacation time is upon us. Be sure to

include having us inspect and service your vehicles as part of your planning. A full service may include an oil and filter change, checking all fluid levels, belts, hoses, the battery, and the tires. It's a good idea to have the tires balanced and rotated regularly to prevent wear patterns. That can substantially extend the useful life of a set of tires. Remember, antifreeze is just as important as a coolant in the summer months as it is to prevent freezing during the winter. Keep it fresh to prevent rust and corrosion in the cooling system of your vehicle. We have the proper antifreeze for your vehicle.

Oil drum exchange —

When you purchase some lubricating oils in drums, you are required to put down a deposit on the drum which is refunded when the drum is returned. Some of our customers are accumulating drums and are not returning them when they purchase a new drum of oil. Because of Environmental Protection Administration (EPA) regulations and shipping costs, our suppliers are demanding that we exchange drums “one on one.” In other words, we must have a drum returned when you purchase a new drum of oil, or you forfeit the deposit. Some manufacturers build the cost of the drum into the price of the oil so there is no deposit required and no return of the drum. You own it. If you have an accumulation of returnable drums, please contact us and we will **try** to get them handled for you. Notice we said we will try. There is no guarantee. Thanks for your cooperation.

Car wash —

We've been using some new soap products in the car wash. It would be helpful if you let us know if they are doing a good job for you. Our goal is to provide the best service we can.

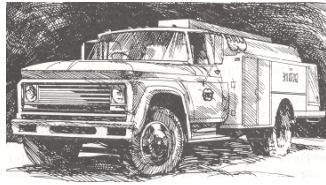
Fuel prices —

Fuel prices have been volatile and high. Some analysts say we can expect this situation to continue into the summer. One thing we can do to help reduce our dependence on foreign oil is to use E-10 unleaded gasoline. It contains 10% ethanol which is made from grains produced on Midwestern farms. All auto manufacturers approve using E-10 in their vehicles. E-10 is good for your vehicle, good for the environment, and good for the agricultural economy.

It is hard to believe I have been here a year. Please know that we appreciate your business and wish you all a good, safe summer. **-TFEE-**

Bulk fuels/ propane

By Randy Reese



Plans are being made to update the bulk fuel plant. We are having to revamp the containment dike as well as the truck loading and unloading facilities. The work will likely begin in a few weeks. All this is necessary to meet EPA regulations.

We have finished running the regular propane routes for the summer. Remember, we can fill propane bottles at the plant. If you have a bottle that is outdated or damaged, we cannot fill it for you. Ask about a replacement.

If you need work done on your home heating system, summer is a good time to do it. We will be glad to work with you on that kind of project. Give us a call or stop by and visit with us about it.

Fuel prices have been on another upward trend in recent weeks. How far that will continue, nobody knows at this time. There have been rumors that we'll see \$4.00 gasoline, but it is impossible to tell if that will happen. We'll have to wait and see how it all plays out. You can be assured that we will continue to provide quality fuels at the best possible prices. **-TFEE-**

Kansas wheat organizations support cellulosic ethanol

Leaders from Kansas Wheat, the cooperative agreement between the Kansas Wheat Commission and the Kansas Association of Wheat Growers, were pleased to learn that the Department of Energy has awarded a grant to Abengoa Energy to build a cellulosic ethanol plant in Kansas. Abengoa Bioenergy Biomass of Kansas, LLC of Chesterfield, Missouri, was awarded up to \$76 million to build a plant in Kansas. The plant will produce 11.4 million gallons of ethanol annually and enough energy to power the facility. Any excess energy will be used to power the adjacent corn dry grind mill. The plant

will use 700 tons per day of wheat straw, milo stubble, corn stover, switchgrass, and other feed stocks.

“Kansas Wheat is ready to provide Kansas wheat producers with the guidance and education they need to be able to make informed decisions concerning cellulosic ethanol,” said Joe Kerj, president of the Kansas Association of Wheat Growers. “Cellulosic ethanol has great potential to add additional value to the number-one crop in the state.”

Kansas wheat is working with the Kansas Department of Commerce to develop a decision-making tool designed to help wheat producers decide if it will be feasible to sell their straw for cellulosic ethanol, taking sustainable agriculture guidelines into consideration, and what price would be required to make it affordable. The tool should be ready and available to producers within a year. Construction of the new cellulosic ethanol plant will likely take two years.

Kansas Wheat through the Kansas Wheat Commission is already funding research with producer check-off funds at Kansas State University to determine better ways to process straw for making cellulosic ethanol. Research will also need to be funded in the near future to determine ways to improve wheat varieties to both yield high-quality grain and produce an adequate supply of biomass. Genetic engineering will also play an important role in this research as well as enhancing switchgrass or other native grasses to make them more productive for cellulosic ethanol. “Cellulosic ethanol has the potential to be the next great agriculture success story in Kansas,” said Dusti Fritz, CEO of Kansas Wheat. “Our organizations' established relationships with Kansas State University and producers in Kansas position us well to take the lead on cellulosic ethanol. We are excited about the new plant coming to Kansas and are ready to work with state government, Abengoa, K-State, and wheat producers to make this project as successful as possible.” **-TFEE-**

Safety pays!