



January 2010 Newsletter

Happy New Year!

Shipman Elevator Company (SEC) is glad that 2010 is finally here. I thought 2008 was challenging, and now we know that the 2008 challenges weren't very significant compared to those we faced in 2009. Just because 2009 was challenging does not mean that 2010 will be easy, and SEC is doing everything we can to anticipate 2010's challenges and to develop solutions for those challenges before they occur. You deserve our best effort, and we hope that our best effort enables SEC the opportunity to earn your business.

SEC had a very successful 2009 and although it will be another couple of months before we will be sharing our financial results at our Annual Meeting, our internal financials for 2009 show some excellent financial results. Your company has made some critical decisions over the past few years that are bringing excellent benefits to our members.

Please review your statement, and contact SEC immediately if you have any questions. SEC statements and the detail on your account are available online at www.shipmanelevator.com. Several of our customers view their statement online before month end in order to address any changes before statements go out.

SEC has purchased a new AgChem Model 1184 RoGator to replace our 1998 model.



The new model is fully equipped, with the features including 120' booms, automatic boom section shut off, and auto steer. We will also equip this unit with floater tires for early spring work. This is our second unit with the larger booms and we were very pleased with the performance of the 120' booms on

the unit we bought new for 2009. Mike Brooks will be the operator of this unit.

Having plenty of sprayers is just one ingredient to getting your fields sprayed on a timely basis, and another key is to have adequate tendering equipment. SEC added two additional tandem tenders in 2009, and we expect to add an additional tandem in 2010. Those units have 16-ton dry tenders in the fall and early spring, and switch to 3500-gallon SS tanks during spray season.

Fall fertilizer along with grain discounts and minimum storage charges are listed under the deferred section of your statement which is due on January 15, 2010. We will assess a mid month finance charge of 2% on any unpaid deferred balances. Normal finance charges will be assessed at month end on all past due accounts. Please allow adequate time if you are paying by mail.



John Hunter is this month's spotlight employee for SEC. John is of the senior members of our marketing team, and is our lead Pioneer Agent working in the Jersey County area. John began working at SEC in 1991 as one of our custom applicators, and quickly moved to a sales position.

John was recently recognized by Pioneer as part of the Pioneer Platinum Club, which consists of the top 5% of sales reps. John is also part of Pioneer's Sales Rep Ambassador Council which enables John to network with other successful sales agents, and allows John to have input for future Pioneer programs.

John and Ann Hunter live in the Jerseyville area and enjoy golfing, boating, camping, and family activities.

SEC's financial audit will be in January, and I will have details in our newsletter as soon as it is available, including our patronage refund

information. Bergan, Paulsen & Company is the audit firm for SEC, and they were first hired by the Board of Directors of SEC in 1985.

Regan Wear's Notes; DAP and anhydrous prices have started to increase in the last couple of weeks. Potash on the other hand has been coming down. We think this is a good time to lock in these inputs and get some of you cost of production established. Most all of our fall anhydrous tons have been rolled to spring tons and the rollover up charge is due at the end of January. We all hope for an early spring and some good weather to catch up on all of the work to getting the 2010 crop in the ground.

We will be treating soybean seed with Cruiser Max in 2010. We treated over 8000 units last year and are hearing very good results from this treatment. Our new bulk plant we will be able to quickly and gently treat your seed as you need it. You will get the proven insect benefits of Cruiser along with the soybean disease control of Warden all for \$10.50/unit. Call us to book your seed treatment for 2010.

Our prepaids have been coming in at the end of the year. Hopefully everyone will have some opportunity to move and collect for some of your grain by our January 15th pay date. If you are interested in looking at some of our financing options like CFA or Tru-Choice, we can sit down with you and see how these programs can help you lower your cost of production. Some of these programs have interest rates as low as prime.

SEC customers know the benefit of having their own toolbar, and SEC is offering used toolbars to our existing customers at prices below the market. Here are some of the toolbars that we have for sale to SEC customers. New toolbars are also available.

Toolbar #4, 17-shank DMI 5300, 18" disk sealers, 20" coulters, dual equalizer Dickey John controller, priced at \$32,000

Toolbar #28, 15-shank DMI 4300, 20" coulters, single equalizer Dickey John controller, priced at \$21,000

Toolbar #15A, 15-shank DMI 4250, 20" coulters, 14" sealers, tandems, tandem wing wheels, twin canister Dickey-John controller, priced at \$17,500

Toolbar #13A, 13-shank DMI 4100, 20" coulters, twin canister Dickey-John controller, priced at \$4500

We offer five-year financing for qualified customers, with a financing fee that is well below market interest rates. Contact Bart, Regan, or your salesperson for info on these or on other toolbars in our fleet.



MATT HAARMANN'S NOTES;

Early Season Rewards are still taking place. The second pay period has begun and consists of a 6% discount for cash or deferred payment on our PHI Financing program. **PHI Financing** is available to all customers. It is a great way to take advantage of early discounts at a great interest rate. The second pay period will end January 22, 2010.

We still have a strong supply of triple stacks and non-GMO corn available for the 2010 growing season. Also, soybean supply looks to be in very good shape for next year. We have a very good selection of "Y" series beans to fit into every aspect of your operation. Seed beans will be available in small bags or bulk, through our new bulk bin system. Also, seed treatments will be readily available through our bulk system.

I would like thank everyone for making 2009 a great year for us and look forward to working with you in 2010.



SEC and Credit Manager Derek Kahl were recognized by The Cooperative Finance Association (CFA) for being one of the top ten Input Finance accounts. The Input Finance program offers convenient and competitively priced credit to many of our members who are growing crops.

The program is good to SEC as it makes it easier for our producers to buy products from SEC, and SEC has minimal risk of default by our members. SEC's Input Finance loan commitment for the 2009 crop was over \$11 mil, which ranked SEC at #5 among CFA's members.

Ron Sheppard's Notes; From time to time we are asked if we are offering contracts on a specific day. We offer diesel fuel contracting on any day that the New York Mercantile Exchange (NYMEX) is open.

We will gladly give our market opinion if we think it is a good time or not to contract. Contracting opportunities that we offer are the Flat Contract and the Maxy Contract. The Flat Contract is a fixed price contract and is by far our most popular contract. The Maxy Contract will set a ceiling on the price at an option cost of about \$.20 per gallon due up front. Typically, our busiest contracting time is January and February. **Contact us with any questions or fuel contracting needs.**



Don't forget to capitalize on the Hard Working Bonus from Cenex ends January 31st 2010. For every 100 gallons of SuperLube TMS, SuperLube 518, Maxtron DEO, Qwiklift, and/or Maxtron THF earns you a \$75 gift card to Applebee's, Sears, or Cabela's. You can also earn an additional \$25 gift card if you also purchase 4 boxes of Cenex grease. Contact Joe or myself for details.

During the winter months, a lot of equipment maintenance will be performed. Cenex lubricants are designed for the harsh environment that farm equipment is subject to. **Contact us to have your bulk oil tanks filled and barrels delivered before you are completely empty.**



Fuel tips for winter:

Keep fuel nozzles covered (either with plastic bag or bottle)- this will help keep moisture out. If nozzle has ice in vent hole and kicks off- spray with a commercial de-icer. Some customers have even covered their pumps with either a box or another container to keep their pumps and nozzles ready for the winter months. Replacing fuel filters on fuel storage tanks and on equipment is also an important part of maintenance This will reduce the risk of any condensation forming ice in the filter and plugging the filter.

SEC is missing some NH3 equipment and accessories. We are looking for a set of gauge wheels that were removed from one of our toolbars

a couple of years ago, and are also looking for a couple of Dickey John controller boxes. Please work with us by keeping the control box in the toolbox that comes with each toolbar, and be sure they are at the same place when we pick up your rental bar.

Derek Kahl's Notes: 2010 looks to be just as interesting as the past years have been for producers when it comes to financing your operations. With the ability to borrow adequate operating funds at banks remaining a concern, SEC has been looking at alternatives to help supply our producers needed cash flow. We currently have many different programs available to producers for the 2010 crop year financing. These options include crop input financing programs from the Cooperative Finance Association and Cofina for all your input needs.

We also have partnered up with PHI's TruChoice and Croplan's ProPartners for specific product financing. If you would like more information about structuring financing possibilities with SEC and our partners give me a call to review your current financing options and to look at the possibilities of incorporating some of the financing options available with SEC to help ease your 2010 cash flow needs.

Reminder: Keeping your regular account current is an easy way to keep dollars in your pockets. If your regular account balance is not paid by its due date, the account is assessed a 2% monthly finance charge.

Winter is the time to finish up your dry fertilizer spreading. Spreading on frozen ground minimizes compaction, and is one of the best choices for minimum tillage operations. The 18 units of N in DAP (18-46-0) remain stable, and will be available to your corn with either fall, winter, or spring application. Get your order placed ASAP, so we can apply your P & K when field conditions are best.

Dennis Wieseman's Notes: The market took a dip before the Christmas holiday and looks to be under pressure from the upcoming South American harvest. The U.S. dollar shows some signs of gaining strength, which is pressuring grains, crude oil and gold. Yields in Brazil and Argentina could be very strong if the current weather patterns hold. Still some talk about some more index fund money entering the market after the first of the year. If this money enters the market, we may see one more move higher in early January and this should be viewed as a selling opportunity.

Corn basis levels remain historically weak despite a

lower trending board and light producer selling pressure. One reason is that the end user is just not willing to bid up for corn in anticipation of off quality damaged corn that is common this year. We are already seeing corn moving to the river with damage discounts and foreign material discounts. Please keep a close watch on your stored grain and get your bins cored as soon as possible. Quality discounts are very high and can subtract a great deal of money off your contract price.

High school seniors need to be applying for college scholarships now. High school seniors that will be entering college this fall, and pursuing a two or four year degree in livestock production, crop production, or closely related fields are eligible to apply for several potential scholarships. Winfield Solutions, Monsanto, and Cargill all have multiple scholarships that would be great for the local high school seniors. The deadline for each scholarship varies, with the deadline for most of them being Feb 15, 2010.

All Macoupin County area college students enrolled in agriculture also need to be applying for the \$7500 available in this year's Macoupin County Foundation Scholarships. You need to be a resident of Macoupin County, or attend a high school in Macoupin County to be eligible for these scholarships.

Joe Kuykendall's Comments: The New Year is now upon us and SEC would like to take this opportunity to say **THANK YOU** for you're your fuel and lubricant business this past year. We look forward to serving you in 2010.

With the late harvest many of you did not have much time to get equipment serviced and ready for spring. If you plan on servicing your equipment this winter, don't forget about your Hydraulic-Transmission Fluid (THF).

This fluid is the lifeblood of your equipment as it facilitates steering, movement thru hydrostatic drives, and equipment controls. It is often overlooked during oil and filter changes. Most OEM owner's manuals recommend these types of fluids be changed around 1000-1200 hrs. **Remember, just because a fluid looks good does not mean the additives that protect the critical parts inside the component are still good.** Fluid that is in need of a change could be oxidized and thicken overtime and cause increased heat and expenses from blown hoses and excess wear on highly pressurized systems. If you would like to have your THF system sampled for oxidation and overall fluid condition, I would be happy to obtain a Lubescan sample.



One of the value added services SEC provides is lube surveys. To do a lube survey, an equipment list is needed, and if available the owner's manual is always the first source for recommendations. If the owner's manual is not available, Cenex Lubricants and SEC has an extremely knowledgeable staff that can help cross-reference the OEM specifications with the correct product. This is a very valuable tool if you have multiple brands and/or any type of construction equipment. In many cases it has been found that a lube survey can reduce your lube inventories and the risk of misapplication. **If you will be purchasing any new or used equipment give me a call @ 618-535-1204 to discuss how the TPP Warranty from Cenex can help protect your investment and save you money.**

SEC wishes the best of luck to the local girls and boy's basketball teams in the Macoupin County Basketball Tourney that begins on January 16th. This is one of the oldest high school basketball events in Illinois, and I am sure that many of you have been involved in the tournament. Tourney games go on all week, with the tourney finals for both girls and boys being on Jan 23rd.

Brent Phelps Notes: A few weeks ago I held a meeting at Twin Acre Farms for a few growers who lived close by. The purpose of the meeting was simple; what's hot and what's not on your farm. These growers had breakfast and sat around talking about what worked well for them and what didn't this year. The good thing was that all of them know each other and consider each other good neighbors.

Sometimes when there are too many people from areas far from each other, it's hard to get information from all who attend. Most of us sit in a meeting listening to some key speaker talk on a national level and not in the back-40 level. Don't get me wrong, we had a few experts there to answer some tough questions but this meeting was for the growers. They own it and they get to run it. Dow Agro Science provided the food and the growers provided the content. After the meeting all of the growers called and said how much they enjoyed the format. If you think there are some growers or neighbors who would like to do this, call us. I promise you it will be very informative. If this is

something that works well and growers like it and find it helpful we'll do these in several areas of the SEC trade area. Happy New Year!

“LET’S GROW SOMETHING TOGETHER”

Be careful this winter when loading and hauling out grain. Remember to keep all belt guards and safety equipment in place. Be careful on wet or icy bin ladders, truck steps, and ladders on grain trailers.

Rich Metzger's Notes: The 2009 year has finally come to an end with that I would like to wish everyone a Happy New Year.

There are some new weed control products that will be available for the 2010 growing season. The concept of weed resistance that was discussed years ago is now a reality for us. The use of a pre-emerge type herbicide is and will be needed in the future. One of the products that will be available is BASF's new product called Kixor. This product will be sold under 3 different names. Integrity and Sharpen will be products used on corn with Optil for beans. These products plus some of the older products such as Sonic and Valor XLT will help use manage our problem weeds. If you would like to build a chemical program for your farm, feel free to call and we will help you do this.

In a few weeks SEC will start treating soybean seed. There are many products to choose from such as Warden RTA and CruiserMax. More information will be presented at our seed treatment meeting, which will be held on February 17th.

Still looking for seed corn and beans for 2010 crop year? SEC still has a great supply of plot winning Croplan and Mycogen seed varieties.

Thank you for your continued support and have a prosperous new year.

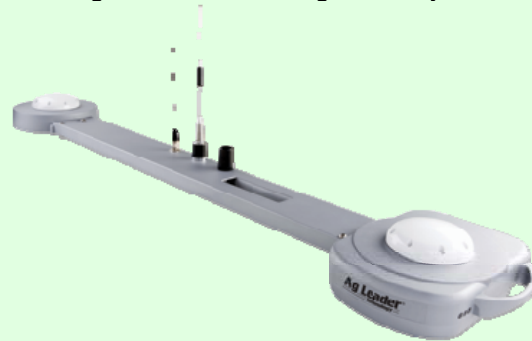
Growing your future one field at a time!

Joe Wieseman's Notes: As we begin this New Year I am excited about the new opportunities in the precision farming industry and the new precision farming solutions we at SEC have to offer.

AgLeader introduced a new display called the INTEGRA which is the full-featured, year-round precision farming solution featuring a large 12.1" HD touchscreen including support for automated steering, harvest support, mapping, planter and application control, real-time data logging, four video camera inputs and more.



Along with the new displays a new automated steering system has been added to the AgLeader lineup. The ParaDyme is the most advanced automated steering system in the field. The patented dual-antenna roof module allows operators to steer with sub-inch accuracy, reducing input costs and fatigue while increasing accuracy.



Features include:

- High Accuracy hands-free automatic steering
- Dual-antenna system featuring Logic7D technology providing sub-inch vehicle steering
- Tracks pitch, roll and yaw at all times with unmatched accuracy and repeatability
- Request help through INTEGRA or EDGE display for in-field technical support, allowing dealer service technicians to make adjustments to the system remotely.
- Complete setup with the INTEGRA or EDGE.
- Rapid line acquisition, without the need for a wheel angle sensor
- Full steering calibration with simple three-step Auto Calibration process.
- Transfer ParaDyme from one vehicle to another quickly and without tools
- Built in cell modem for CORS network support
- Provides GPS accuracy using corrections via WAAS, OmniStar XP/HP and RTK.

Also new for the 2010 season is a new economical steering system called the OnTrac2 to be used with the EDGE display. This new steering system features quick, easy “Lock-n-Roll” installation, superior to friction-design eliminating slippage.



If you have any questions about these products or services please feel free to call me at 618-779-2741. Or visit www.agleader.com.



SBI Update: 2009 has closed, and I am updating SBI investors on the status of the SBI investments and to update you on the projected timetable for receiving your SBI 2009 tax info.

Center Ethanol Company (CEC) has been in operation for all of 2009. There have been some challenges generating operating income in 2009, and I expect CEC to pass on another tax loss for this year, and there will not be a cash return to investors. CEC is utilizing accelerated depreciation on the facility and equipment, and will be passing along the depreciation expense to SBI.

SBI's other ethanol investment is in One Earth Energy (One Earth) in Gibson City, IL. One Earth began production in mid-year, and early indications are that they are going to be profitable. I am not aware of their decision to or not to use accelerated depreciation which will affect the taxable income or loss. I also do not anticipate a cash distribution from One Earth.

SBI will provide you a K-1 that will include your tax information for SBI as soon as we receive the information from CEC and One Earth. Both companies have calendar year fiscal closes, and I do not anticipate receiving K-1s from either company until late March. This timing will delay the completion of SBI's tax work and delay the availability of SBI K-1's to SBI members until late March or early April. By law, SBI is required to provide you with K-1 information by April 15. Please consult with your tax professional about how this delay will affect you and the filing of your tax return.

Managing risk on your farm is becoming more difficult each year, however pre-paying for your fertilizer, seed or Ag chemicals by January 15th, or contracting some of your fuel needs will put a cap on that cost in your operation for 2010.

Dwayne Milner's Notes; I would like to wish every one a Happy New Year and hopefully that means planting corn April 1st and Soybeans the first part of May.



We have moved back the date to our company's seed treatment meeting until February 17th at 10 A.M. We will discuss the treatment options that are available to the producer and benefits that each may have. With all the confusion that is in the industry about seed treatments, this will be an open forum so make sure if you have any questions that you feel free to ask at any time in the meeting. Following the meeting we will serve lunch at noon.

This year was definitely a hard year to evaluate hybrids, with the late planting, cool weather, and excessive water. This is the reason why every producer needs to make sure they diversify their farm with different genetic types and families. We never know what type of growing season we are going to have from one year to the next, so keep in mind when looking at data from this year it was a cool year with plenty of water, the same genetics that shined this year did not shine in 2007, when we had a lot of heat and drought stress.

For Sale: 1998 GMC 2500 4x4, purchased new by SEC, AT, AC, 231K miles, good condition, asking \$3300

