

Main Office

Princeton Main Office - 763-389-2582

Agronomy and Feed

Albertville Ag Center - 763-497-2122
 Isanti Ag Center - 763-444-5561
 Ogilvie Ag Center - 866-472-4712
 Osceola Ag Center - 715-294-2789
 Pease Ag Center - 320-369-4220
 Rush City Ag Center - 320-358-3292

Auto & Power Equipment

Cambridge Forest & Lawn - 763-689-2100
 Isle Auto Shop - 320-676-3103
 Mora Auto Shop - 320-679-2682
 Pine City Building Center - 320-629-2177

Petroleum

Cambridge Bulk - 763-689-2100
 Isle Bulk - 320-676-3103
 Ogilvie & Mora Bulk - 866-472-4712
 Osceola & Chisago City - 715-294-2789
 Pine & Rush City Bulk - 320-629-2581
 Princeton & Foley Bulk - 866-472-4712

Propane

Annandale Propane - 320-274-5946
 Cambridge Propane - 763-689-1751
 Danbury Propane - 715-656-7971
 Glen Propane - 320-684-2209
 Gordon Propane - 715-376-2264
 Little Falls Propane - 763-389-2512
 McGrath Propane - 320-592-3193
 Mora Propane - 320-679-1166
 Princeton Propane - 763-389-2512
 Rock Creek Propane - 320-629-7435
 Sandstone Propane - 320-245-5576
 Scandia Propane - 651-433-3145
 St. Michael Propane - 800-892-6925

C-Stores

Isle C-Store - 320-676-3865
 Mora C-Store - 320-679-2682
 Rush City C-Store - 320-358-4689
 St. Cloud C-Store - 320-240-7990

Country Stores

Chisago Country Store - 651-257-6320
 Isanti Country Store - 763-444-5561
 Mora Country Store - 320-679-2682
 Osceola Country Store - 715-294-2789
 Princeton Country Store - 763-389-1431
 Pine City Building Center - 320-629-2177

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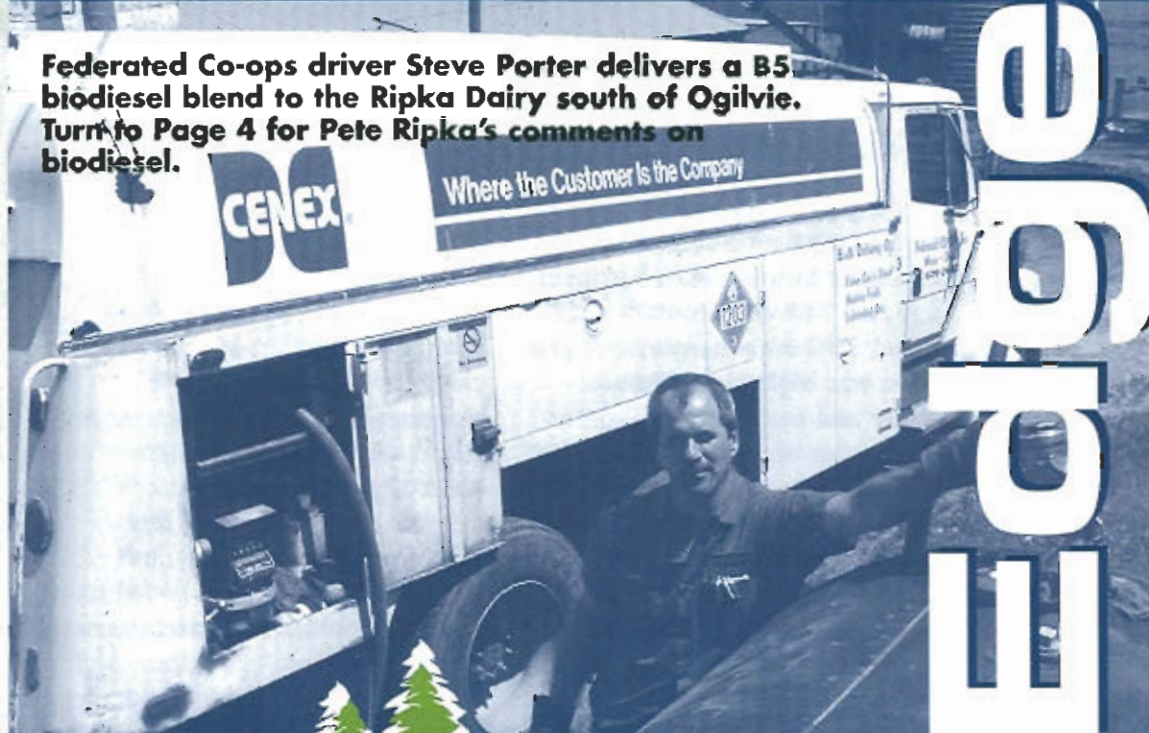
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Federated Co-ops driver Steve Porter delivers a B5 biodiesel blend to the Ripka Dairy south of Ogilvie. Turn to Page 4 for Pete Ripka's comments on biodiesel.



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FEDERATED CO-OPS Inc.

BIODIESEL BLOOMS IN POPULARITY

Biodiesel is the perfect opportunity for you to create demand for the crops you grow, as well as protect the environment and your diesel engines.



BRIAN DEVRIES
 Petroleum Division
 Manager

A broad term for blending certain additives with diesel fuel, biodiesel can be made from corn, canola, cottonseed, sunflowers, beef tallow, pork lard, or cooking oil. Follow a vehicle powered by biodiesel made with oil collected from fast-food restaurants, and you will notice it smells a lot like French fries.

Federated Co-ops markets a biodiesel made from soybeans, because our producers grow soybeans, and it's the best fit for us.

Crushing the soybean produces raw oil that cannot be burned in a diesel engine, because it contains glycerins that are harmful to injectors and injection pumps. So, the raw oil goes

through a refining process and comes out as soy methyl ester.

This 100% biodiesel-product (B100, as it is called) could actually power diesel engines, without modification. However, most of our customers ask us to blend the soy methyl ester with premium or No. 2 diesel. The most common blend is 2% biodiesel (B2).

Besides the obvious economic benefit for Minnesota soybean farmers, the most common benefits of using biodiesel are:

- Exceptional lubricity
- Long equipment life
- Lower maintenance costs and less equipment downtime
- Cleaner burning fuel that's easier on the environment

Biodiesel is also a renewable resource, the use of which reduces U.S. dependence on imports of crude oil or refined petroleum products.

The biodiesel product used by Federated Co-ops is clear, so it can be used in both on- and off-road diesel. Of course, the usual fuel taxes do apply to on-road biodiesel.

Biodiesel is blended right at your tank.

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Visit Our Web Site: www.federatedcoops.com

Products for your life.

INVESTMENTS SUPPORT RECORD AGRONOMY SALES

an early spring planting season helped **Federated Co-ops** set a record for agronomy sales through May. Fertilizer tons increased 34% year-to-date, and seed sales increased 30% over the previous year. Custom application was higher, but the wet weather in late May and early June will determine how many acres we apply this season. Soon the weather will be warm, and crops will be well on their way.

Our investment in agronomy plants and equipment paid off during a short and hectic season. We simply could not have handled the tonnage we did without the people, equipment, and facility investments we have made the past few years. The wisdom of our 2000 consolidation becomes more apparent each year.

There is more optimism in the ag community this year, as both crop prices and livestock prices are stronger. Hopefully, you will take this opportunity to lock in some of these higher prices.

Energy prices are still high and are a concern to everyone. Until the risks to oil production in the Middle East subside, the energy markets will

continue to price these unknown risks into the market.

Because prices are so high, Federated Co-ops has taken the position of avoiding long-term energy contracting at these levels. We anticipate significant downside to the market, if stability returns.

Co-op returns patronage in cash

In early June, Federated Co-ops mailed nearly 19,000 patronage refund checks totaling \$763,000 in cash patronage. This patronage amount is 6.82% of last year's patron purchases.

We are proud to be able to pay patronage for the third consecutive year. This is also a benefit of our 2000 consolidation, in addition to the investment made in facilities and equipment, and the reduced debt carried by the company.

Thank you for supporting Federated Co-ops. We appreciate your business. ■



TIM KAVANAUGH
General Manager

CITY BOY BRINGS TECHNOLOGY TO THE COUNTRY

Randy Stuhl is a self-described city boy who brings to **Federated Co-ops** a diverse background in computer networking, data management, and communications.

Growing up on the east side of St. Paul, Randy studied electronics at St. Paul Technical College, and spent four years in the Navy as a fire control technician. (No, not putting out fires—working with computers and radar to fire the ship's guns.)

After leaving his country's service, Randy gained experience with a wide range of companies including working as a data technician for

Sprint® to install a shared 9-1-1 computer system for St. Cloud and Sherburne County. He's also worked as a network administrator for the Minnesota Historic Society and Lutheran Social Services, a factory rep for National Control Systems (a security system manufacturer), and a computer technician for Unysis and Lawson software.

Randy started working for Federated Co-ops in March. In his new position, Randy is responsible for making sure the co-op's computers and communications systems work, and maintaining the company's Web site:

www.federatedcoops.com.

With his diverse experience, Randy

hopes to "grease the internal gears that run Federated Co-ops" by applying proven solutions to the electronic needs of this business.

Randy appreciates his fellow employees and enjoys the team-like atmosphere of the Federated Co-ops workplace. "You never know what you're going to be doing from day to day," he states. "As long as you can be flexible, it's exciting work."

Editor's Note: Randy and his wife, Joy, have two sons: Jayme, 23, and Chad, 21. The family will soon be moving from Zimmerman to Milaca. After hours, Randy's hobbies include flying remote control aircraft and modifying 1/18th-scale automobile replicas. "I buy, repaint, and accessorize them to make them look as real as possible," he explains. ■



Randy Stuhl

FARM BACKGROUND AND FUEL EXPERIENCE MIX WELL

Brian DeVries grew up in the country and moved to the city where he gained experience in marketing petroleum. Now, back on the farm, he's sharing his experience with **Federated Co-ops** petroleum employees and their customers.

Raised on a farm north of Dalbo, Brian graduated from North Hennepin Vocational Technical School with a two-year degree in agribusiness. For 10 years, Brian and his wife, Mary owned and operated two service stations in St. Paul.

Toward the end of that decade, Brian began to do some farming as a hobby. But his father's death in a 1998 farm accident abruptly changed the course of his life. "I always wanted to go back to the country," he says, "so I moved (my family) back home and bought the farm from my mother, who still lives there with us, and have farmed ever since."

On the farm, Brian missed the challenge of business and dealing with the public. "I'm one of those farmers who always stops at the end of the field to talk with my neighbor," he states. "I enjoy people."

When the job of petroleum division manager opened this spring, Brian applied and was hired. "My first day on the job was May 2," he states.

While he continues to farm, Brian has taken on a new challenge—growing the refined fuels business of Federated Co-ops. He expects to accomplish this in several ways:

- **Ask the Federated Co-ops traditional farmer-customer for their business.**

"People need to know we're here," Brian states, adding, "Nobody was ever on my farm site trying to promote Federated fuel." Brian says he's working with the drivers to make them aware of who their potential customers are, and to take the initiative to talk with them.

- **Buy refined fuels better.** "We need to be more proactive in purchasing fuel, so we can, in turn, give our customers better opportunities to save money and make money," Brian declares.
- **Promote the co-op as service-driven.** "We'll be more aggressive in offering pre-buys and the option of contracting fuel to lock in their expenses," he states.
- **Reach out to other markets.** "We're also looking at growing our fuel business with the state, counties, schools, construction companies and other industries that use refined fuels," says Brian.

To his new job as petroleum division manager, Brian brings a good understanding of the ag industry and his integrity as a local farmer. "I still use the fuel on the farm, and I understand what drives farmers' decisions," he states. "Plus, I'm a trustworthy and honest person who will back up what I say."

Editor's Note: Brian and Mary have three children. The oldest, Joe, graduated from high school this spring. Betsy is a sophomore, and Abby is a sixth-grader. Mary teaches school in Cambridge. ■

CO-OP'S REFINED FUELS BUSINESS

Federated Co-ops delivers gasoline, diesel, and heating fuels to a market area bordered by Mille Lacs Lake on the north, the Mississippi River on the west, the Twin Cities on the south, and the St. Croix River on the east.

To service this area, five bulk trucks deliver out of refined fuels plants at Ogilvie, Cambridge, and Rush City.

M.I.K. Transportation, owned by Federated Co-ops, brings semi-loads of refined fuels to these plants from the pipeline terminals. ■

TIME TO SCOUT FOR SOYBEAN APHIDS

BY JOHN SWANSON, Agronomist, Ogilvie Ag Center

Early- to mid-July is the time to be scouting for and spraying soybean aphids.

The key to controlling aphids (and retaining the most yield) is catching and spraying them early. Consider chemical application when aphid populations exceed 200-per-plant. Aphid populations can change rapidly; so continual scouting is critical.

Begin scouting now, or call the agronomist at your **Federated Co-ops** ag center to scout your fields.

Leafhoppers, too

The other thing you want to do is sweep check your alfalfa for potato leafhoppers.

Inform your agronomist if you are seeing

leafhoppers, or as soon as you cut, request a sweep check.

A lesson in treating seed

With the dry weather earlier this spring, some farmers decided not to treat their seed. Then the weather did a 180-degree turn, and we ended the planting season cold and wet.

Soybeans were slow to emerge from that cold, wet soil. I'm confident those producers would have increased their yields by treating the seed.

Remember what happened this spring, when it comes time to treat next year's seed. Even if it looks dry, things can change. ■



SPRAYING LARGE WEEDS IN ROUNDUP READY® SOYBEANS

The standard rate for applying Roundup WeatherMAX® to Roundup Ready soybeans is 22 ounces for weeds four- to six-inches tall. Once weeds become larger than six inches, the rate must increase and will depend on the weed you need to control.

Some beans planted in early May could have large weeds by the time you spray. Last year was similar. By the time those fields dried out enough to spray, the weeds were huge.

Weeds such as velvetleaf, lambsquarter, and common ragweed can be more of a problem to control. Those weed heights need to be watched very closely to make sure you select the correct rate of Roundup WeatherMAX to control them. Check with your **Federate Co-ops** agronomist on specific rates for specific weeds and weed heights.

Along with Roundup WeatherMAX, remember to always use ammonium sulfate—the water-conditioning agent that helps the herbicide work. Federated Co-ops uses Gardian Plus,® with Roundup WeatherMAX, in its sprayers. Gardian Plus is an ammonium sulfate product with a de-foamer and a drift-reducing agent all in one.

If your Roundup Ready soybean fields were planted to Roundup Ready corn last year, you'll need to tank-mix

Select® or Assure® II herbicide with your Roundup WeatherMAX to control the volunteer corn.

Roundup WeatherMAX has a six-hour rain fast warranty, while most of the generic glyphosates have four- to six-hour warranties. Keep that in mind if you're spraying your own Roundup Ready soybeans. Federated Co-ops uses Roundup WeatherMAX exclusively, when custom spraying.

Control aphids, too

If you are making a late application of Roundup WeatherMAX to your soybeans, consider spraying for soybean aphids at the same time. You can tank mix an insecticide with Roundup WeatherMAX and potentially take care of both operations at once.

Extension trials did see some potential benefits of early aphid control. See **John Swanson's** article on Page 3 for aphid scouting recommendations. ■



KEVIN CARLSON
Agronomist and CCA,
Rush City Ag Center

BIODIESEL BLOOMS IN POPULARITY

Continued from Page 1

If you want B2, for instance, we'll put 10 gallons of B100 in your 500-gallon tank and add 490 gallons of diesel fuel.

Because the biodiesel and the diesel fuel must both be at least 40° F to blend properly, biodiesel is available from April through October. Once blended, diesel containing 5% biodiesel or less can be carried into the winter with no clouding problems.

To order, just call a Federated Co-ops bulk petroleum location listed in the Page 1 directory, and ask for biodiesel. We can sell you straight B100, or blend to your specifications (B2, B5, B10, etc). The cost varies with market conditions and the percentage of biodiesel you order. Biodiesel is available on all of our refined fuel delivery routes. ■

OUR MISSION: "To supply goods and services to patrons (on a cooperative basis) in a manner which enhances agriculture and the community, for Federated Co-ops, Inc. and its members."

RIPKA DAIRY USES BIODIESEL

Pete and **Steve Ripka** decided to order biodiesel last spring, because they wanted to use a soybean product, and because they were told their tractors would run cleaner and have more power.

"We've achieved that," says Pete who orders B5, a blend of 5% biodiesel and 95% diesel fuel, from the **Federated Co-ops** bulk plant in Ogilvie.

He adds, "We've been using (biodiesel) all along, even in the wintertime." ■



FEDERATED CO-OPS
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