

The spirit of 'Co-op'eration

❑ Bedford Farm Bureau Co-op serves 560 members whose needs vary wildly

By Gary Brower, Editor

It's early May and Jim Shade is trying to catch his breath.

The general manager of the Bedford Farm Bureau Co-op in Bedford, Pa., has been running from dawn to dusk, and sometimes beyond, as another planting season gets underway in southwest Pennsylvania. Shade oversees the co-op's operation, which includes four plants throughout the region, as well as four retail outlets near each plant.



PGP photo by Brian Kelly

FEEDING THE FARMS: The Bedford Farm Bureau Co-op facility in Curryville (above) is the largest of the four plants the co-op owns. The feed mill, which was acquired in 2001, can receive up to 1,750 bushels of corn an hour and stores grain for year 'round distribution.

Bedford Co-op owns two feed mills – in Bedford and Curryville – which are running steady processing last year's crop of corn into feed for many of the area's dairy farmers. But this time of year, it's the co-op's three fertilizer blending plants – in Bedford, New Enterprise and Rockwood – and its seed business that really keep Shade and his staff hopping.

The co-op has 560 owner/members, most of who are working hard to get the 2013 crop planted, and they need seed and fertilizer to make it happen. Some of them are also looking for good advice and information, which Shade and the co-op's agronomy staff are more than happy to provide.

"Our core values, our mission statement, is to understand our customers'

Bedford Farm Bureau Co-op

Owners: 560 co-op members
Location: Bedford, Curryville, New Enterprise and Rockwood
Type of operation: Farmers' co-op, including grain elevators, feed mills, fertilizer blenders, fuel station, tack shop and retail stores
Employees: 38 full-time, 10 part-time
PGP customer since: 2012

needs, resource quality products and deliver at fair prices to our customers," said Shade, who has seen the co-op's

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PATIENCE OR PRUDENCE?



Should farmers wait for higher corn prices? **See Page 2**

CONNECTED TO CORN



DDGS prices rise and fall with grain market. **See Page 4**



Service

Service is at the heart of everything we at PGP do. The employees of PGP strive to provide superior customer service and quality products that enhance the profitability of our customers.

Plant upgrades made during shutdown week

By Eric Meeuwsen, General Manager

We shut the plant down at PGP in late April and early May for scheduled maintenance and repairs. We had a good week of weather and got a lot of work done.

During shutdown, we created steeper slopes in the grinding bin and the scalping bin, and we changed out piping in several areas of the plant. We moved a gas line that will allow for future expansion in the grains area and were able to clean and inspect most of the equipment.

During the inspection, some items were found that will need to be ad-

Plant update

dressed during fall shutdown, and we will make the changes necessary to improve those areas.

We have already witnessed the benefits from the improvements we made last fall, and will continue to make changes designed to improve our customers' experience at PGP.

The plant is back up and rolling again, though we did face a few issues at the re-start. We were able to work through those issues thanks to several dedicated PGP employees who worked

overtime to see the project through.

Several workers also came in on a Sunday to address an issue we had with the conveyer and the boiler, and we are grateful for their extra effort and dedication. Their diligence allowed us to have product ready when our customers needed it, which is why PGP is in business: To meet our customers' needs.

We have owned PGP for about a year now, and have made several improvements to increase the performance and efficiency of the plant. We will keep working hard and continue to look for ways to improve both the plant performance and our customer service.

Should farmers sell corn now, or gamble on better prices?

By Brian Kelly, Grain Merchandiser

Historically, farmers have received the highest corn prices in the summer and the lowest prices at harvest.

Well, in 2013, history is upside down.

If you have corn in storage and are waiting until July or August to sell it, you may want to evaluate your price options now. Waiting may not give you a better price.

At the time this article was written, there was an 87 cent inversion between the July 13 CBOT price and the September 13 CBOT price. That means

Corn update

your corn will lose 87 cents of value when prices move from the July to the September board.

Will Pennsylvania Grain Processing need corn in the summer? Yes.

Will PGP and other users make up the difference in the basis? That's the unknown. Will prices converge? Maybe, but what if they converge toward the lower September price?

Will the market change by the time you are reading this and make this

paragraph a waste of time? It might.

But since harvest, the market has been telling farmers to sell now.

If you have corn to sell, give Jim or Brian at PGP a call to discuss your

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Pennsylvania Grain Processing, LLC

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All questions or suggestions for future articles should be directed to PGP's marketing department.



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Co-op: Bedford FB has four facilities and 560 members

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annual revenue grow from \$4 million to about \$30 million in his 11 years as GM. “The biggest thing that has helped our growth is customer service and focusing on our customers. Product knowledge and customer service, those are our focus.”

The Bedford Farm Bureau Co-op was formed in 1942 and operated a single plant in Bedford for almost a decade. A second plant was added in Everett in 1950, and for 30 years those two facilities served the customers in the Bedford County area and beyond.

The fertilizer blending plant in New Enterprise was built in the early 1980s, and then the co-op went another 30 years before its next expansion. In 2001, the co-op purchased the bankrupt Agway mill in Curryville, and a year later the outdated Everett facility was closed.

The co-op’s fourth facility, a fertilizer and chemical blending operation, was built in Rockwood in 2006, expanding the market farther to the southwest.



PGP photo by Brian Kelly

MADE IN THE SHADE: Jim Shade, general manager of the Bedford Farm Bureau Co-op, has seen revenue grow from \$4 million per year to about \$30 million annually in his 11 years of leadership.

“We go up into Indiana, Armstrong and Cambria counties and down into Maryland and West Virginia,” Shade said. “As long as we continue to offer the proper services and quality to our customers and we don’t outgrow our capabilities, I think there is potential (for more growth) out there.”

Shade said the co-op manufactures about 36,000 to 38,000 tons of feed annually, most of which is processed in Curryville. The plant is capable of receiving 1,750 bushels of corn per hour, and the Bedford plant can receive another 750 per hour, making it an easy in-and-out for growers delivering corn.

The co-op also stores

450,000 bushels of corn, which allows it to produce special blends of feed for its customers all year.

Shade serves many masters as the GM of the co-op. He works for the many dairy farmers in the area who buy corn from the co-op to feed their herds. Shade also works for the commercial crop farmers, who sell their corn to the co-op to be blended into its feed products.

Oftentimes, the interests of the two groups do not coincide.

“One of the biggest challenges of the co-op is that we try to buy at the highest price we can for our grain customers and sell as low as we can

to our feed customers,” Shade said. “That’s a real balancing act every day.”

Shade has recently been working to open a new market for his grain customers.

When the Pennfield mill was closed last year after falling into bankruptcy, he knew his mills would be hit with a deluge of corn at harvest.

Shade found, in the Pennsylvania Grain Processing ethanol plant in Clearfield, Pa., a buyer willing to take the surplus corn that was overflowing the co-op’s bins, allowing members to store more corn.

“They are great about picking up (corn) and getting it out of here when we are full, and they are great about paying on a quick turn-around so we can get (the money) to our customers so they can pay their year-end bills. That cash flow is huge,” Shade said. “And I think PGP is doing a very good job on quality control. They are making sure what goes in is good quality, so their distillers grain is good quality.”



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Forward pricing can help when locking in DDGS orders

By Steve Blackburn, DDGS Merchandiser

The market for distillers grains from PGP remains strong. The greatest challenge has been the price fluctuation in the recent months.

DDGS prices follow corn prices, and when corn prices fell after the March USDA report, the price of DDGS

Distillers update

dropped. Recently, corn prices have strengthened, so DDGS prices have increased, as well.

At PGP, we offer our customers the ability to forward price DDGS. This allows DDGS customers to lock in a

consistent price.

PGP Merchandiser Steve Blackburn can discuss pricing options with you to help you make the best decision for your business, so give him a call today.

DDGS Merchandising

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Corn: Harvest may be too late in 'upside down' market

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price options.

On a more definitive topic, PGP can send you a text message and/or an email with corn prices after the close of the market each day.

The text message will give the delivered price for the current month and new crop prices. The email contains

all of the current prices for each month of delivery.

To register, you will need to visit the "Grain Bids" section of our website at

Corn Merchandising

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www.pagrain.com. Please sign-up at the "DTN Cash Bid Update" section.

Some customers have given us their cell phone numbers or email addresses, but due to rules on spamming, we need you to register yourself.

If you need help with this, please call our corn merchandisers and they can walk you through the process.