



**“WHERE FARMERS
FUEL AMERICA”**

PUBLICATION # 1 2

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Shipping & Handling

For Christmas, I was wanting a \$214 item that would include \$59 for shipping and handling. 22% of the cost was just getting it from A to B. Angered by that, I was told that I was in my “old man” mood and that I should chill.

First, I was angry that we would even contemplate paying \$59 for shipping. If you earned the current minimum wage of just under \$8/hour, you’d have to work almost an entire day just to pay the shipping. Yet, if you have the disposable income or don’t have to earn the cash yourself, it suddenly makes it “no big deal”. I’m here to tell you that buying something that you don’t need and paying \$59 more dollars to ship that something that you don’t need to you, should be just as big a deal if you are making \$8 or \$80 per hour. The value of a dollar is the same whether it’s the first dollar of a million or the last dollar of a million. That is why businesses like POET are successful. No one working for Poet is above picking up a penny from the sidewalk nor will we turn a blind eye to \$59 of freight that adds no value.

Second, this wasn’t \$59 of freight that I was going to have to pay. It was \$59 in freight that someone else was going to spend on me and for some reason, that made me angrier. I would never want or expect anyone to spend \$59 in freight to buy me something that I don’t have to have, gift or not. I am not worth it and their time and money is worth so much more elsewhere, like in a bank, for a rainy day. Yes, I am that “old man”.

For years, POET has been selling ethanol for a discount, but by the time others add shipping and handling in its various forms, it gets to be hard to stomach. Right now, ethanol is selling for a \$1.25 while gasoline at the pump is \$2.25. Why is that? It’s the same reason why so many are fine with paying \$59 for shipping and handling. We have so much given to us that we have lost sight of what things are really worth and so long as we can get whatever we want when we want it, few really care about the economics, or more importantly, the principle.

For \$59 in freight, if I used ethanol I could send it 750 miles and if I used gasoline about 500.



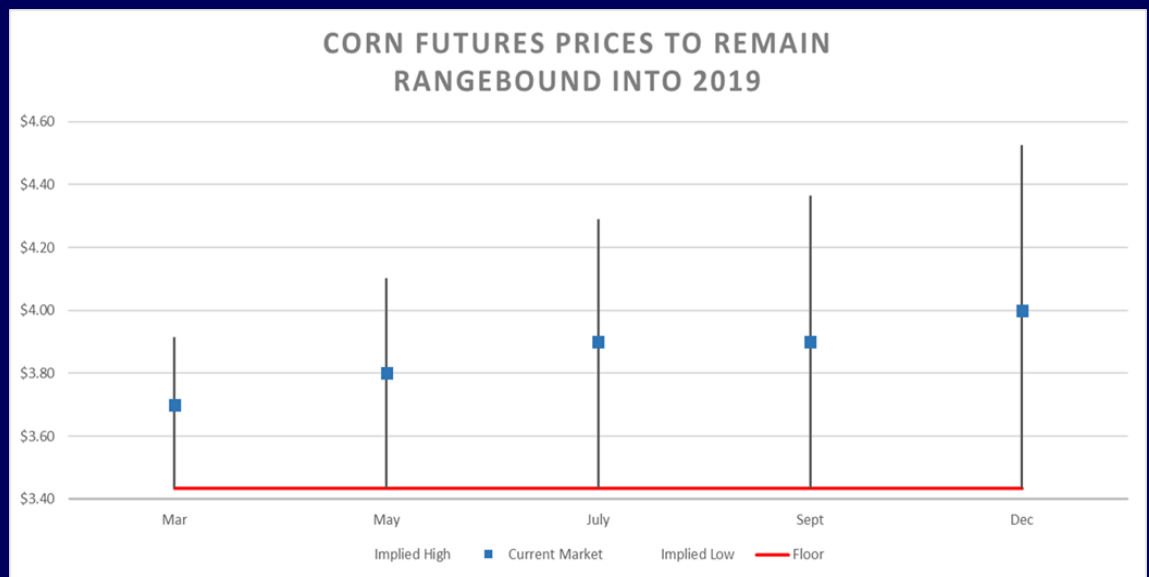
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A RANGE BOUND MARKET

In options trade, what a strike price can be bought or sold for gives an indication of where the market at large thinks futures prices can go. For example, if a \$4.00 December call be bought for \$.20, then the seller thinks that December won't expire over \$4.20. Using this assumption, our PGC analyst created a chart that demonstrates the market view of option sellers. The chart shows that this year is predicted to be another narrowly traded range, the upside to \$4.50 against the December 2019 and the floor firmly at \$3.40 throughout.



SOUNDING BOARD—WHAT DO YOU THINK?

Now that the NEMO Farmer board is no longer involved in the day to day of our grain operation, we do not want to lose sight of the collaborative benefits provided over the years from new grain storage to corn programs. Input from board members, owners, and customers have driven our expansions and improvements over the last 18 years.

In keeping with that collective process and to insure improvements and changes are wanted and beneficial to our customers, we are considering holding a quarterly grain meeting of interested investors and customers to discuss the most recent crop report and our grain department goals and projects.

We will briefly discuss the state of the markets at large and locally. We will give an update of how programs and farmers have been pricing grain through the quarter, and then we will explore with your input, what else we can do together as the future of farming and ethanol changes more rapidly.

Call it what you want, a marketing meeting, a steering committee, or a time and place to utter complaints, we want to provide a platform that will keep us moving in the right direction, together.

Technology is moving all components of the ag industry at a rapid pace and we are all being told by vendors what we need to be competitive in future. What used to take 10 years to develop and be approved for use, now may only take a year or two. While many, many things, are becoming possible, probable, and available, it's going to take some time and effort to sort out what is truly beneficial, to you and us, so together, we can tell the vendors what they need to be competitive in future, instead of the other way around.

If you would like to be a member of this sounding board, call us or text/email us with the words Sounding Board.

Pending interest, we will move this forward appropriately.

Dates highlighted in **RED** are USDA report dates. **Shaded dates** are CME holidays and there are no grain markets.

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29	30	31				

Can Farmers Keep Up?

I attended the Livestock Symposium in Kirksville and listened to a seminar on feeding expensive hay. Everything presented was good information and solid advice. But, much has not changed over the last 30 years when it comes to the practical side of feeding cattle. Yes, we have distillers grains now. We have better information and more options, but when it comes to growing cattle in NE Missouri, it has been a relative slow progression of improvement. Even when you consider grain and the GMO evolution, it's been a 30 year process since the first RR beans. There's been some new tillage equipment, acceptance of cover crops, 15 inch rows, and several honorable mentions, but for the most part, you would still recognize animal and plant farming 30 years ago and today.

While most of us have accepted and incorporated some technology, I really don't think we are prepared or have a clue for what the rest of the world (its people and its technology) are going to push on us in the near future.

Take time to read Successful Farming's November 18' Tech issue and you will quickly realize that very soon, change will come at a pace we cannot adequately prepare ourselves to handle or accept. Meat grown from the cells of a T-bone will be an alternative to a T-bone. A GMO that used to take 10 years to create and approve will now just be 2. We won't be as worried about feed formulation as buying animals with genetics that are made to excel on certain types of vegetation and climates. Herbicides may well be replaced by robotics that pull weeds when they are small. Eating hogs won't be as much of a hog business as growing replacement organs for people from hogs. Soil biology treatment may well make poor ground good and plants very efficient.

Farmers have fought and slowed down many advancements over the years by simply controlling the ground and dragging their feet. But 20 years from now, the ground will be owned by far fewer people who will view the land as just a tool in producing a new product and not producing a way of life. Recent advancements have mostly required the farmer who purchased them to share a large part of the advancement dollars with those who sold it to them. The incremental income has been enough for some farmers to change and not for others, but it has moderated the pace of technology.

But in future, it is very likely that the land, the labor, the process, and the technology may be owned by the same for profit corporations and farming will change at a pace that may rival advancements in computing and technology itself.

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A Seeds of Change Initiative

GRAIN FOR CHANGE

Help support Seeds of Change by
donating a portion of your grain
delivery at any POET plant.

Visit seedsofchange.org for more information.



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[Ladonia, MO](#)
[Lake Crystal, MN](#)
[Leipsic, OH](#)
[Macon, MO](#)
[Marion, OH](#)
[Mitchell, SD](#)
[North Manchester, IN](#)

REMINDERS:

- ◆ We are now open weekly 7:00 - 5:30 Mon - Fri & Sat 7:00 - 3:00.
- ◆ If you want to view tickets and contracts from your cell phone, you must contact us to establish the accounts you want to view AND sign a one time form so you can approve electronic contracts.
- ◆ January checks will be available Monday, January 7th.
- ◆ The Macon plant has a new General Manager, Scott Tuttle. The office number is 660-385-2789.
- ◆ We have trucking available, whether you are hauling to Macon or taking beans to Quincy. Call us for freight quotes. We have attractive DP rates when utilizing our freight to Macon.
- ◆ SOYBEANS - If you utilize HTAs for soybeans, we can do that.
- ◆ **Market Manager and Average Price Program deadlines are end of this week.**

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FREE POSTERS
RARELY SATISFY.
THESE NEVER WILL.

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