



AMERICAN PRIDE CO-OP

Cooperator

VOLUME 8, ISSUE 3

www.americanpridecoop.com

DECEMBER 2011

Manager's Comments

by Larry Ehrman

American Pride Co-op is pleased to report that 2011 was a successful year. The sound business decisions made over the last several years have allowed your cooperative to remain profitable in these challenging times. Sales increased nearly \$7,000,000 to \$50,076,087 and gross income saw a decrease of \$231,823 to \$10,414,662. By holding expenses in check, net income after taxes is \$1,176,305. Patronage and investment income was down \$689,677 largely due to much lower refining margins by Cenex. Working capital increased \$302,301 to \$2,279,109. Working capital has increased to \$673,537 over the last two years. Long-term debt was reduced to \$622,000 and seasonal borrowing is lower than it has been for several years.

We are happy to announce that your cooperative is paying \$477,086 in patronage this year with a total of \$190,834, or 40%, in cash. Commodity rates compute to \$0.04 per gallon for fuel, \$0.075 per gallon for propane and 1.6694% for crop production. We will distribute checks at the annual meeting December 12. With a stronger balance sheet and improved working capital position, we are able to pay a higher percent-

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Annual Meeting December 12, 2011

The 76th annual meeting of American Pride Co-op will be held Monday, December 12, 2011 at the Armory at Brighton Cultural Center. The Armory is located at 300 Strong Street in Brighton. A meal will be served beginning at 6:15 p.m. followed by the business meeting.

The purpose of the meeting is to elect two directors, receive and consider the financial reports, and any other business that may properly come before the meeting. At the conclusion of the business meeting, Gary Morrison, former President and CEO of American Pride Co-op, will present information related to merger talks with Agland, Inc.

To make your reservations, contact American Pride Co-op's business office at 303-659-1230 or 1-800-332-6478 by December 8, 2011. There will be a \$1 per person reservation charge.

Director Candidates

Two director elections will be held at the 76th Annual Meeting of American Pride Co-op. The membership will elect a director from District 1, which is east of I-25 and south of I-76, and a director from District 3 which is west of I-25.

The candidate from District 1 is Chris Losh. Chris is involved in a family farm operation in the Strasburg area raising primarily hay and livestock. He has a Bachelor of Science degree from Colorado State University. Chris has been on the board of directors of American Pride Co-op for the last 12 years, serving as Chairman the last three, and currently serves on the Strasburg School Board. He and his wife, Renee, have 2 daughters, Logan and Rylan who he enjoys coaching and watching as they excel in sports and school.

The District 3 candidate is Paul Schlagel. Paul and his family, wife, Vicki and son, Scott, farm in the Longmont area. His operation consists of 1400 irrigated acres of sugarbeets, corn, malt barley, and alfalfa. Paul currently serves as Secretary of the American Pride Co-op board of directors. He also serves on the Colorado Sugarbeet Growers Board, the American Sugarbeet Growers Board, the Left Hand Water District Board and he attends Life Bridge Church.

Make your reservations for the December 12, 2011 meeting by contacting the business office at 303-659-1230 or 1-800-332-6478 by December 8, 2011. There will be a \$1 per reservation charge.

Protect Your Equipment

Problems associated with ultra-low sulfur diesel fuel continue to surface. New engines, both ag and non-ag, utilizing a common rail injection system are experiencing filter plugging and injector fouling due to fuel being 'cooked' by a combination of high injection pressure and heat.

American Pride strongly recommends using Ruby Red FieldMaster and RoadMaster premium diesel fuel in these engines. Ruby contains an additive package that will help eliminate these low sulfur problems, keep systems clean, increase fuel lubricity to protect the engine against heat, improve storage life, reduce corrosion and increase Cetane for faster starts. Automatic injecting of Ruby at the terminal during loading ensures it is in the diesel at the proper rate when delivered.

Since October 1, 2011, all diesel fuel from American Pride Co-op has contained a cold flow improver to help during cold weather operations. If additional protection for extreme cold conditions is required, number 1 diesel can be included in tanks by notifying American Pride's Fuel Department.

Cenex Oil -Cenex offers great warranty protection for new and used ag equipment. The plan covers from dollar one and proof that oil failure caused the problem is not a requirement. To enjoy the benefits of this simple, straight forward and valuable plan, just sign up, use Cenex oil, change oil at recommended intervals and send in an oil sample.

More information regarding the Cenex Warranty Program or to discuss other fuel requirements is available by calling the American Pride Petroleum Office 720-685-1966 or Bob Henneman at 720-685-1992.

Tree and Shrub Dormant Season Fertilization and Insect Control

Now that trees and shrubs have or will be entering their dormant stage, they can be fed and protected in a one-step process. By applying fertilizer and an insecticide with systemic properties at the same time, the homeowner or professional applicator will be able to save time and effort while still providing essential care. This can be achieved after leaf drop and any time when the ground is not frozen. Mallet 2F T&O manufactured by Nufarm will control aphids, boring insects (check label for specific species), leaf beetles, leaf hoppers, leaf minors, pine tip moth larvae, soft scale, and thrips using this type of application.

According to the label 0.1 to 0.4 fluid ounces of insecticide is applied per inch of trunk diameter (DBH) in sufficient water to inject equal amounts of solution per hole. A rule of thumb is two holes per caliper inch. It can be applied in a grid pattern, circle pattern or possible basal system (see label).

A fertilizer blend can be used to feed the trees with the following components:

1. Solubles 20-20-20 + minors – seven pounds per 100 gallons of water.
2. Slow Release Liquid Nitrogen (28-0-0), 1½ - 2 gallons per 100 gallons of water.

Feed rate for this would be one gallon of mixture per caliper inch applied in at least two holes per caliper inch around the tree. Note: If trees are Iron deficient, a chelated Iron can be added. Injection holes should be six to eight inches down into the soil. Uptake of the nutrients and insecticide will mostly be in the spring during leaf expansion.



TREE CONTROL METHODS

Should you need to control unwanted trees either due to location (i.e. dam faces), variety (i.e. salt cedar), or danger potential (i.e. power lines) one way to affect the plant demise is to do low volume basal bark application of herbicide. Garlon 4 fits this use well. This method uses an herbicide and oil combination that is applied to the bottom 12 to 15 inches of the bark of the tree and is used on trees up to a six inch diameter. Spray to wet but not to the point of run-off using a solid or adjustable cone nozzle. This can be done any time of the year except when snow or water prevents spraying to ground level. Cottonwood, elm, ash, maples, locust, sumac and salt cedar can be controlled. See label for additional information.

Contact Steve Yarish at 720-685-2312 for additional information on how to best care for your trees and shrubs.

Your Co-op Board of Directors . . .

*Chris Losh, Chairman
Kent Kalcevic, Vice Chairman
Paul Schlagel, Secretary*

*Tom McBride
Mike Rademacher
Jeff Rasmussen
Bruce Schlagel*

*Associate Directors: Brian Howard
Tom Kirkmeyer
Brett Markham*

Duran to Retire – Open House Scheduled

Anthony Duran, Vice-President of Fertilizer Operations, has announced his retirement effective December 31, 2011. Anthony came to American Pride Co-op when the cooperative purchased Cepex American, formerly known as American Fertilizer (Phillips Chemical Company), in 1988. During his career, he has served on numerous industry boards and committees including the Rocky Mountain Plant Food board.

Anthony and his wife, Connie will remain in Brighton and plan to spend more time enjoying their children and grandson. Anthony said, "I'll be spending a lot of time at our mountain cabin, fishing, hunting with old buddies, riding ATV's and keeping 2 yards 'looking good'."

American Pride Co-op will host an open house to celebrate Anthony's retirement on Wednesday, December 14, 2011 from 10:00 a.m. to 2:00 p.m. at their Henderson Fertilizer office located at Highway 85 and 124th Avenue. Stop in and join with American Pride in wishing Anthony the best retirement can bring.

If you have any questions, please contact Julie at 303-659-3643.

Holiday Hours:

Saturday, 12/3/11 - Brighton location - Closing 4:00 p.m.

Christmas Eve, 12/24/11 - All retail locations - Closing 3:00 p.m.

CHRISTMAS DAY, NEW YEAR'S DAY - ALL LOCATIONS CLOSED

New Year's Eve, 12/31/11

Brighton retail locations - Closing 4:00 p.m.

Mead - 8:00 a.m. to noon

Mead will be closed Monday, 12/26/11 and 1/2/12

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Branch Locations:

Henderson, CO
 303-659-3643

Mead, CO
 303-776-5015



Holiday Greetings and Best Wishes for the New Year from the Board of Directors and Employees of American Pride Co-op

CLOSED CHRISTMAS AND NEW YEAR'S DAY

Manager's Comments, continued from page 1.

age in cash and the aggressive schedule of paying back equities to our members is on track. A strong balance sheet assures that American Pride can take advantage of future opportunities as they arise.

One opportunity is a possible merger with Agland Inc. This past year, the board of American Pride Co-op has been discussing ways it can work with its neighbor cooperative to increase efficiencies and drive down costs. Discussions began by looking at pieces of each company that would “fit” together and grew into contemplating a full merger. Well managed and with strong balance sheets, each company offers unique strengths that will complement the other. For instance, American Pride Co-op’s agronomy division has a well-developed turf and golf course business while Agland operates a well-respected wholesale fuel and transportation business. Our fuel, propane and fertilizer trucks often follow each other down the roads making deliveries to customers in the same areas. The boards have agreed on many of the “sticky” topics that hang up many mergers and are moving ahead to determine the structure the transaction will use. We anticipate holding informational meetings for our members in the next 30 to 45 days. After which, a meeting will be held to bring the proposal to a vote. Everyone involved in the discussions is excited about the possibilities. We are working toward developing a company that is better in every way. Please participate in the upcoming merger meetings. Regardless of how the merger develops, American Pride is forging ahead, positioning your company for the upcoming years. We have a talented employee group who work extremely hard to serve their customers and we thank them for their service. With the right people, we can accomplish anything.

The annual meeting will be a month earlier this year. The date is Monday, December 12, 2011, and it will be at the Brighton Armory. Dinner will be at 6:15 p.m. followed by the meeting. The program includes honoring Gary Morrison and Anthony Duran on their retirement and thanking them for their years of service to American Pride Co-op. We will also have a presentation on the progress of merger talks with Agland highlighting the benefits and information on the process.

Thank you for doing business with American Pride Co-op this past year. We will work hard to be your supplier of choice in 2012 and build on the success we have experienced in the past.

Happy Holidays to all of you!

AMERICAN PRIDE CO-OP



Ag News

Tight Corn Supply

The challenging growing conditions in the Corn Belt this season have caused corn seed supplies to be very tight for the 2012 growing season. The cold, wet spring that delayed corn planting was followed by heavy rains that led to the flooding witnessed earlier this year along the Missouri and Mississippi Rivers. These events put a serious strain on corn fields early in the growing season. Fields that survived the flooding still had major issues with water-logged soil. This widespread damage caused lower than anticipated seed corn yields.

With tight corn seed supplies, it will be very important to order your seed early this year. Growers who wait until late winter or early spring to order may not be able to get the varieties they want. Most seed companies are ramping up their winter production in South America. But, this production is not always guaranteed and usually makes it to the United States just before planting time.

American Pride Co-op is working closely with their seed suppliers to ensure that their customers will receive the corn seed they need and early ordering will help their efforts. Please contact Tim Koenig (720-281-4043), Larry Moir (303-210-9141) or Steve Stewart (970-539-8010) to place your order. They look forward to helping their customers with their corn seed needs.



Notice to Ag Producers:

Pre-Payment Discounts Available

Take advantage of American Pride Co-op's prepayment discounts for your 2012 input needs. Prepay before December 31, 2011 and you will receive the following prepayment discounts:

- **Fertilizer Only** – 5% cash discount AND a 5% prepayment discount off our published price on the product at time of delivery.
- **Ag Chemical Only** – 5% cash discount AND a 2% prepayment discount off our published price of the product at the time of delivery.

We will also accept prepayments on your input needs for petroleum, seed, twine, fencing, and other ag products.

Please call any of our locations for more details on our prepayment services.