



AMERICAN PRIDE CO-OP

Cooperator

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www.americanpridecoop.com

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Manager's Comments

by Larry Ehrman

I would like to introduce myself as the new President and CEO of American Pride Co-op. I assumed my new duties on September 1st and I want everyone to know how excited I am to be here. It seems like just yesterday when I first arrived in Colorado but it's actually been 6 1/2 years. My wife, Kim and I really enjoy Colorado and we are looking forward to finishing our careers here. Please stop in and say hello as I would like to get to know you, my door is always open.

As we near the end of another fiscal year, it's cause for reflection on where we've been. At this point, it appears we will have a profitable year, not as profitable as the last couple but considering the current economic climate, we are pleased. Fortunately, the agricultural sector is benefiting from very good commodity prices and yields which will help offset the high input costs they have experienced. We are working hard to make sound purchasing decisions and will have attractive programs available prior to yearend. The balance of the economy is not as fortunate and it has been a challenging year for many. High costs of fuel and a sluggish economy have made every decision critical, for our customers as well as American Pride. We are seeing some signs of business

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Ehrman New President and CEO

The Board of Directors of American Pride Co-op is pleased to announce the selection of Larry Ehrman as President and CEO of American Pride Co-op following the retirement of Gary Morrison.

Chris Losh, Chairman of the Board, said, "Larry brings a strong cooperative understanding and business background to this position. He will provide the leadership necessary to maintain the financial strength of the cooperative. In doing so, the cooperative's membership will continue to receive the goods and services they require. The Board is looking forward to working with Larry as we continue to set the direction for the future of American Pride Co-op".

Larry was born and raised on a farm in western Nebraska. After graduation from the University of Nebraska, he worked with the family-run operation until accepting a position with a local Conoco and Sinclair jobber where he eventually served as vice president overseeing the transportation and wholesale divisions.

Larry's career in the cooperative system began in 1995 as a Petroleum Marketing Specialist for Farmland Industries covering western Nebraska and eastern Wyoming followed by Petroleum Manager at Panhandle Cooperative Association in Scottsbluff, Nebraska. Since 2005, Larry has served as Vice President of the Energy Department of American Pride Co-op.

Larry and his wife, Kim, have 3 daughters, and 3 grandchildren.

If you haven't had the opportunity to meet Larry, you're encouraged to stop by and introduce yourself.

Five Scholarships Awarded

Each year American Pride Co-op recognizes outstanding high school seniors for their hard work and accomplishments by presenting them with an American Pride Co-op – Cole Kugel Scholarship. This year 5 students received this recognition.

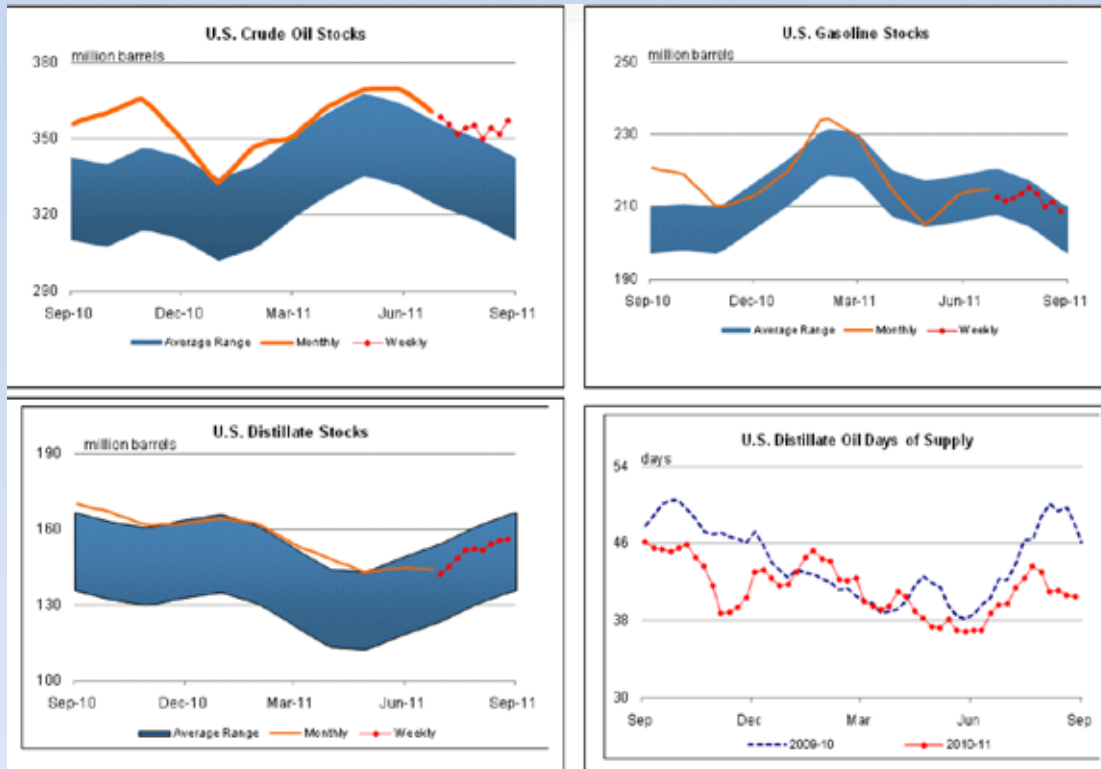
Jennifer Rasmussen, daughter of Jeff and Sherri Rasmussen of Longmont, received the Cole Kugel Scholarship of \$1,000. She graduated from Niwot High School and will pursue a degree in nursing from the University of Northern Colorado. Jennifer was very involved in 4-H holding

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Energy Update

The energy markets, over the past quarter, have traded off a fair amount as they lost most of the steam they had built up going into summer. We saw some decrease in price but that is rapidly evaporating. Looking at inventories, we continue to run at the middle to top side of historical averages and supply seems to be very good at most locations. These graphs illustrate this.



The market could take off at any time since this is the heart of hurricane season. As far as the future goes, October to December is historically a good time to lock in prices for the upcoming year. Nothing indicates that anything will change this as the economy seems to be having a hard time sustaining any recovery and inventory levels will likely remain high going into winter. American Pride recommends locking in your fuel needs for next year when pull backs occur in the November time frame. Two dollar fuel would be nice but realistically, the price range will continue to be between \$3 and \$4.

Problems associated with ultra-low sulfur diesel continue to occur. Using Ruby FieldMaster Premium Diesel Fuel will help to avoid some of these problems. Benefits include:

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Your Co-op Board of Directors . . .

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Kent Kalcevic, Vice Chairman
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Tom McBride
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Bruce Schlagel

Associate Directors: Brian Howard
Tom Kirkmeyer
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Morrison Announces Retirement

Gary Morrison, President and CEO of American Pride Co-op, retired on August 31, 2011. Gary came to American Pride as Chief Operating Officer in February of 2003 after a 22 year career with Farmland Industries in Kansas City, Missouri, and became the President and CEO when Al Shivley retired October 1, 2003. Gary and his wife Lisa plan to remain in Colorado for the next few years and return to Kansas City to be near their family when she retires.

“The past eight and one-half years with American Pride have been the highlight of my career in the cooperative system. I couldn’t have asked for a better situation. The work has been challenging and rewarding. While I look forward to having more time to devote to my family and my other interests, I will miss being a part of American Pride”, said Morrison.

“American Pride is solid financially and has a very bright future. The board of directors and management team that is now in place will capitalize on the opportunities that lie ahead”, said Morrison.

“There are many important people that I want to thank for contributing to the success we’ve enjoyed. It has been a total team effort, and the results we’ve

achieved are a tribute to a lot of hard work by everyone involved. I could not have asked for more support”, said Morrison. “First, I want to thank Al Shivley for hiring me, and for supporting me during my time as CEO. Second, the American Pride Board of Directors has been phenomenal! American Pride is fortunate to have such a dedicated and talented group in this very important role. Third, I want to thank my staff for a job well done. They’ve always maintained focus on our goals and given the extra effort needed to achieve the best results. Fourth, I want to thank the entire group of employees for all of their support and accomplishments. Most importantly, I want to thank our members and customers for supporting the cooperative as we’ve made the changes that were necessary to ensure its future.”

Chairman of the Board Chris Losh said, “The leadership Gary provided during his time as President and CEO kept our cooperative on the road for continued success. Many of his decisions and innovative ideas set the example for others to follow. Everyone at American Pride wishes Gary the very best in his retirement.”



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303-776-5015

Propane Season Has Arrived

In order to provide the best possible service to their propane customers this heating season, the American Pride Propane Department is asking for your help.

When it's cold outside, the normally heavy propane delivery hose becomes stiff and is hard to maneuver from the truck to your tank. Possible injury to the driver can be avoided with these simple maintenance steps prior to and during the season.

1. Have your address posted clearly; we can't deliver to you if we can't find you.
2. Trim trees around your tank to at least a 12 foot square.
3. Keep weeds and vegetation cleared around your tank. This provides safety and eliminates a fire hazard.
4. Keep the area around the tank free of vehicles, toys, debris or other tripping hazards.
5. In winter:
 - a. Keep deep snow cleared from around your tank.
 - b. Clear a path to your tank; drivers can't climb over obstacles with a heavy hose in their hands.
6. Tanks need to be accessible 24/7, especially routed customers.



The goal of American Pride is to provide you with the best service possible and to keep their drivers safe. Your cooperation is appreciated and thanks for your business!

What You Need to Know About Winter Diesel

Beginning the first part of October, all deliveries of diesel fuel delivered by American Pride Co-op will contain winter additive. If you desire the additional protection of winter diesel fuel blended with number 1 diesel, please contact our Petroleum Department at 720-685-1966.

Blending with Number 1 adds to the cost. It is currently running 26 cents higher than Number 2. For example, a 70/30 blend will cost an additional 7 cents per gallon. A general rule of thumb is that you gain 2 degrees lower operability for every 10% number 1, so for 7 cents, you will gain only 6 degrees.

Today's additives work very well and are much more economical at a cost of just 2 cents.

If you have any questions, call us at 720-685-1966.

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picking up and remain optimistic that the upcoming year will improve.

I am challenging our managers to be creative in formulating new programs that will meet the needs of our customers as we navigate the year ahead. We will stay abreast of changes in our world. Be it regulatory, supply, pricing or product introduction, our goal is to be your partner as we work toward mutual success. Challenge us and let us know how we are doing. Your feedback is important as we position your company for the future.

Please make a note – annual meeting has been moved up to December 12th so mark your calendar. We will have further communication with the specifics. Our members own American Pride and it is critical that they take an active role in electing the board that shapes it.

Again, I'm grateful for the opportunity to lead your company; I am excited about the possibilities.

AMERICAN PRIDE CO-OP



Ag News

Save Money by Feeding Less

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With commodity prices forecasted to stay elevated for the foreseeable future, controlling feed cost can be challenging. One way to control cost is to feed less. In doing so, will you get the results you demand? You can, if your feed is formulated with quality ingredients and manufactured to be more digestible, thus delivering great results at lower feeding levels. That is what Progressive Nutrition® has done with ProElite® HF. ProElite® HF is extruded, which involves cooking under steam for a short period, allowing critical nutrients such as calories, protein and fiber to be easier to digest than when fed whole or pelleted. It is passed through a die to give the product a uniform shape, aroma and stability.

In the past most extruded feeds were either available in limited locations or used to stabilize products that were over 20% fat. That has changed with ProElite® HF. ProElite® HF is not only 12% fat, it contains grains like barley and fibers, such as beet pulp, which result in significant increases to nutrient availability. Research studies have shown that a feed that is extruded is up to 40% easier to digest than the same ingredients in a whole grain and up to 30% more digestible than the same ingredients in pelleted form. Extrusion also carries other benefits, including:

- Extruded feeds are bulkier than traditional sweet feeds or pellets, which will slow how fast horses eat. Horses do not bolt down extruded feeds like other feeds, which reduce the chance of impaction or choke.
- Extruded feeds with added vegetable oils will pass through the digestive tract slower than other feeds, once again improving absorption and digestion.
- Extruded feeds have shown to reduce colic. All nutrients are more readily absorbed in the small intestine. This helps prevent overloading the hindgut, which will reduce the chance of rapid 'starch' fermentation and its gas related problems, i.e. torsions, etc.
- Extrusion virtually eliminates dust and fines. Less fines at



the bottom of the bag also means more nutrients actually consumed by the horse, i.e. less waste.

- Research published from Cornell University stated those horses fed extruded feeds: 1) carried more water throughout their digestive tract, compared to horses fed pelleted and sweet feeds. Therefore, extruded feeds can reduce the incidence of dehydration occurring in performance horses, and 2) are again recommended for horses prone to colic or have a history of twists (torsions) of the intestinal tract.
- Extruded feeds are recommended for all horses post-surgery for all of the above reasons.

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Supply Plus Demand Equals Higher Prices

American Pride Co-op strives to fill its fertilizer storage with quality products at the best prices available. However, high commodity prices, combined with a high global demand for crop nutrients, have fertilizer prices near record highs.

Phosphate products are in very short supply, with spot shortages of liquid phosphate products expected for fall and spring planting seasons. Application of dry phosphates this fall may be a great alternative to ensure availability.

Nitrogen prices remain very strong and supply hasn't been an issue but the situation could change with the planting of fall crops and as suppliers fill their storage sheds for the spring season.

American Pride Co-op makes every effort to ensure that its customers have an uninterrupted, competitively priced supply of product through the fall and spring seasons. Be sure to contact the Agronomy Center at Henderson (303-659-3643) or Mead (970-535-4450) for more information on availability, pricing and to schedule delivery.

Evaluating Old Alfalfa Stands

As all hay producers know, the older your stand gets, the less productive it gets. There are several causes for a thinning alfalfa stand. Weed, disease, and insect pressure, as well as poor fertility and winterkill all contribute to the eventual decline in tonnage as a stand ages. Deciding that it is time to take out an alfalfa stand can be a very difficult decision. Many factors can influence your decision, but eventually a decision must be made. While there are no absolutes on when to take out an alfalfa stand, there are guidelines to evaluate your alfalfa stand.

There are two ways to evaluate an alfalfa stand. The older way is to count the number of plants per square foot. Pick several spots in your alfalfa field and count the number of plants in a 1 foot by 1 foot square. It is helpful to have a square made out of wood or PVC pipe to aid in the count. Traditionally, any alfalfa field with less than 4-5 plants per acre is considered a candidate for replacement. This method is based on the assumption that low numbers of plants per square foot leads to lower yield. A newer method from the University of Wisconsin advocates the counting of stems. This method takes into consideration that not all alfalfa plants are the same, as some plants will produce more stems than others. Count the number of stems in a 1 foot by 1 foot



square in several places on your field. It is generally considered that any field having fewer than 40 stems per acre is a candidate for replacement.

These counts can be taken in the spring when there is 3-4 inches of growth, or in the fall prior to killing frost. It is also a good idea when counting plants or stems to check the condition of the crowns. Crown health will help you to determine the longevity of the stand. Healthy crowns are large, firm and have many roots and stems coming off of them. Crowns that are dark colored, have few roots or stems and a soft feel are damaged and likely to rapidly decline. If you determine that it is time to take out the alfalfa stand, the field can either be plowed down or sprayed out in the fall with glyphosate and 2,4-D. The auto toxic nature of alfalfa requires that you plant an annual crop following the alfalfa before trying to go back with alfalfa in the same field.

If you need assistance evaluating your alfalfa stand please call the experts at the American Pride Agronomy Center at Henderson (303-659-3643) or Mead (970-535-4450). They will be happy to help you.

Five Scholarships Awarded, continued from page 1.

all offices in her 4-H group, showing and receiving honors on the county, state and National Western level. She has served as a certified volunteer at the Colorado Riding Therapeutic Center, received recognition for academic achievement, volunteered for community events, participated in sports and served 3 years as the wrestling team manager.

This scholarship was established and funded by the late Cole Kugle of Longmont and is administered by American Pride Co-op.

Four American Pride Co-op Scholarships were also awarded. These \$1,000 scholarships were funded by the support of sponsors and players in the American Pride Annual Golf Tournament.

Julie Green of Byers will enter Morgan Community College to become a dental assistant. She graduated from Byers High School and is the daughter of John and Melinda Green. Julie was active in National Honor Society, Future Business Leaders of America, and was a Senior Ambassador. She played volleyball and basketball as well as serving on the year-book staff.

Clay Kungel, the son of Dallas and Paula Kungel of Ft. Lupton, will enter Colorado State University to begin his study of natural resources. While attending Brighton High School, Clay was active in student government, FFA, 4-H, football and lacrosse where he served as varsity captain. He served his community through his church and the Brighton Senior Center.

Rebecca Petty plans to pursue a degree in art beginning with fall classes at Front Range Community College. She is the daughter of Robert and Frances Petty of Thornton. Along with her academic achievements, Rebecca was very active in 4-H where she won numerous awards and put her many talents to work on several committees.

Devyn Plumley graduated from Deer Trail High School and will enter Colorado State University to major in zoology. She is the daughter of Phillip and Terne Plumley of Byers. 4-H has been a major focus of Devyn's time and efforts. She has served as reporter and vice-president of her club and is a representative for District 3 Junior Leaders.

Congratulations to all!