

Shuttle loader project is biggest news of Grainland year

Written by Brenda Johnson Brandt

As of Aug. 31, 2012, Grainland Co-op completed its first full year as a non-leased CHS country operations retail business unit.

Grainland members were updated on the cooperative's successful year at the annual meeting Tuesday, March 12.

In the financial report, assistant manager Gary Peintner said Grainland had a huge year, with \$5,719,177 in net savings. He added it's probably the best year Grainland has ever had.

Checks amounting to about \$2.2 million were mailed out to patrons last month.

Board president Casey Gerk reported that the biggest news for Grainland is the shuttle loader project.

After a long wait and much concern for whether the project was going to happen, on Nov. 8, 2012, general manager Rick Unrein announced that the BNSF and NKC Railroad had settled on an agreement and Grainland could start on the \$18 million shuttle loader project.

Gerk said it will take roughly 15,000 man-hours to complete the project that will include eight concrete silos holding an additional 1.4 million bushels of Grainland commodities. These commodities will be shipped directly into the global commodities market.

The shuttle loader will be built with the future in mind. It will include room for additional storage, the possibility of adding a dry fertilizer hub and the ability to unload unit trains of liquid fertilizer.

While talking about the shuttle loader, Gerk cited two commodities that are very important to Grainland—millet and white wheat.

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Gerk said Grainland handles roughly 10 percent of the U.S. millet crop. White wheat, another important commodity for Grainland, represented roughly 11.7 percent of the cooperative's 2012 wheat crop.

Unrein said the entire shuttle loader project is expected to be completed and fully operational by wheat harvest in 2014. "We have high expectations of what this project will mean for the patrons of Grainland," he added.

Much more of Grainland's efforts in the near future will be focused on positioning the company to fully utilize the asset, which represents the largest expenditure ever taken on by the cooperative system in this area, said Unrein.

Not only will the shuttle loader project be going on this year, but Grainland will also have ongoing projects at New Haven, Fleming, Haxtun, Holyoke, Amherst, Julesburg and the stateline.

In his report for the year, Unrein said the decision by the patrons to fully integrate with CHS has brought benefits that simply can't be matched.

As one example, Unrein noted that the year 2012 marked a significant change in how patronage is handled.

As a result of being fully part of CHS, 100 percent of the patronage and equity earned through Grainland goes directly to the individual patrons who earned it.

In the past, directors and management would have decided how much of that patronage would be paid out to the members, with the remainder being kept as retained savings. The same procedure would be used for local savings.

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Now, as a part of CHS country operations, 100 percent of the patronage and local savings is paid out to members as patronage. This is why they're seeing \$5.2 million in patronage allocation for 2012.

Additionally, Unrein said this patronage allocation also includes farm picked-up grain and large volume fuel purchases, which were never eligible for patronage in the past.

Since Grainland is part of CHS, Gerk told the members about a major project they're working on. CHS is moving forward on a natural-gas-fired nitrogen fertilizer plant in Spiritwood, N.D.

When the plant is up and running, it will produce 2,200 tons of ammonia a day. It will convert natural gas into anhydrous, urea and 11-52-0. Gerk said CHS hopes to have the project completed in 2016 at a cost of \$1-1.4 billion.

This is a major investment and source of nitrogen for the future, and Gerk said it is hoped Grainland will see good dividends.

CHS just reported a record year of \$1.26 billion net income on revenues of \$40.6 billion and returned \$600 million to its owners in cash. With this being Grainland's first year as part of CHS, Gerk pointed out it looks like the two work well together.

"Grainland Co-op today is on the right track, headed in the right direction," said Gerk. "The future of Grainland and CHS looks really good because we are made up of farmers, ranchers and employees who are not just along for the ride."

Unrein assured the membership that every decision he helps make is relevant to the future of the organization and communities—not only in asset planning but in operations.

CHS regional director Gary Goodroad reiterated the value of the partnership between CHS and Grainland.

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He touched on the vision and mission of the organization and reported on expansion of CHS's global footprint.

He gave more details on the nitrogen plant in Spiritwood, N.D. that was announced last September and said they hope to bring back some tremendous patronage through CHS through Grainland.

Four directors elected

Four candidates were elected, after running unopposed for board of director positions at last week's annual meeting.

Those elected were incumbents Paul Schmidt from District 3, Mark Gueck from District 2 and Dave Carlson from District 1; and newcomer Kent Bamford from District 1.

Dan Ortner leaves the board this year after 18 years of service on the Amherst Co-op and Grainland boards. Ortner and Les Peterson, who served for 17 years on the Amherst and Grainland boards, were presented with plaques acknowledging their dedicated service.

A meal was served prior to the meeting by Bill Pelle with the help of Haxtun FFA members. Whitney Powell entertained with piano music as members entered the auditorium for the meeting.

Following the business portion of the meeting, a drawing for numerous prizes was held.

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