

Benson Corn Pool



270 20th St. NW, Benson, MN 56215 • 320-843-4813
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LETTER FROM THE CHAIRMAN

Hello Corn Pool Members:

I hope all of you had a very Happy Thanksgiving with lots of good food and family around.

Anyone with ethanol shares was truly blessed when the EPA rejected the waiver on the RFS which is very important to our industry.

We have ended another good year at the plant with profits over and above our budgets. This has a lot to do with the diversification at our plant and investments in other proficient plants which have brought back good margins to us. This was all done in a year with very low corn carry out and one of the worse droughts in history. As most of you know or have heard, the State of Minnesota did very well

compared to the rest of the nation this year in corn production. Chad still has a big job to get corn delivered to our plant. The Basis will have a lot to do with the price of corn this year.

I am sure that each of you have been mailed your bill for last years Corn Pool loss. We had projected around eight cents all year but with what accentually turned out to be the prefect storm in our favor, it ended up at .035, this had to do with the price of corn going up over \$1.00 after the Pool delivered its corn for the third trimester.

Remember the Annual Meeting on Thursday, January 24th. At this meeting we need to elect one director. Keith Kvistero is not running for re-election this year so anyone

interested in running for the Board please contact the office to get your name on the ballot. I would like to say a big thank you to Keith for all the insight he brought to the Board over the years. I can tell you he always had the best interest of the Corn Pool members first on his mind. Keith, you will be missed.

I want to wish everyone a very Merry and Blessed Christmas and a Happy New Year. I am looking forward to seeing all of you at the annual meeting.

Please pray for moisture, it is very dry out there.

Your Corn Pool Chairman,
Roger Longhenry

Corn Market Commentary

By Chad Friese,
CVEC Commodities Manager

The corn market has been mostly uneventful since late September. There have not been any big surprises from the USDA. Exports have been flat to soft, ethanol demand for corn flat to soft and the corn market has been fairly stable. Volatility has been in the market, and corn futures have traded within a \$0.50 range but there was never any real panic that it could go down much. Minnesota corn especially has been more stable as the good yield and quality that we have received has not been the norm nationally.

Basically two months into the marketing year for corn and everything seems pretty stable. Stable considering that over the same timeframe a year ago we trade about a \$0.85 range, this year only \$0.50. A year ago we were looking at a 700 million bushel carry out and wondering if we could trim enough demand to keep it there, this year around 650 million and wondering if we have enough demand to really get things that tight.

Twelve months ago we were figuring if we could just make it through with what we had the huge planted acres and trend line yields would fix everything. This year we are starting to talk the same story about if only next year... Last year was a good trial run for this year, but the similarities are as close to the same as the differ-

ences are glaringly different. I guess the point is the two seem similar, but they can still react quite differently as we continue to go through the year. Weather, demand, supply, planting intentions, South American weather, World Economics, and US Economics will all play critical roles in what commodity vales do going forward, and may have much more or less effect than we would think. Weather in the US while dry and certainly concerning is not going to effect the market today as strongly as South American weather, five months from now you can certainly bet that will have changed.

Simply put the corn market has a lot of dynamics working and it will be very difficult to understand all the potential affects that they could have. Similarities to last year could be right on or fleeting so there are real risks in the market if you are sure about anything. For many of you as members of the Benson Corn Pool you can take comfort that you are somewhat insulated from market exposure through your membership. The Benson Corn Pool has been quite successful for it members in these volatile times and we should take pride in that. But we also must remember that there are many things at work and as trends

change we must not get over confident. The transition period from old crop to new crop for 12-13 into 13-14 will be just as rough and bumpy as last year, of that I am somewhat confident.

As always if you would like to discuss the corn markets or opportunities to do additional business with CVEC please give me a call at 320-843-1248. CVEC markets can be emailed out to you each evening and are also available on our web site cvec.com or on DTN as Benson E. I am confident that the markets will trade and that there will be dynamics to discuss and evaluate. CVEC has also made the decision to construct grain facilities to service the demands of the membership with regards to easing some of the delivery scheduling within the trimesters. If you are interested in the additional convenience this may provide thru our Alternative Delivery Agreement please contact me and we can discuss the benefits.

BENSON CORN POOL	
<i>BOARD OF DIRECTORS CANDIDATE APPLICATION</i>	
Date:	_____
Candidate's Name:	_____
Candidate's Address:	_____

Candidate's Phone:	_____



LETTER FROM THE GENERAL MANAGER

FY12 has been a good year for BCP, ending the year with a loss of only \$0.035 per share. During the year BCP bought, through our marketing agreement with CVEC, \$57.3MM worth of corn and delivered to CVAC. This year we saw the markets be extremely volatile, with the summer months being the most extreme. In June the area average was \$6.06 and we saw it rise to \$7.63 in August. The lower price of corn in June was a big part of the lower loss for this FY.

Because of the market volatility BCP used the line of credit more often and for longer periods during the year. BCP ended FY12 with debt of \$1,575,000, and \$44,000 in interest expense. BCP has a loan capacity of \$2.5 million,

which renews each year in March.

BCP has a loss for the year of \$345,956 which is a per bushel loss of \$0.035. The financial statements are below for your review. The BCP board met in November to review the audited financials and discuss the loss for the year. At that meeting the board voted to request funding of \$0.035/bu from the members. A letter requesting the funding was mailed to all BCP members on November 21st. The funding deadline is December 17, 2012.

BCP will hold its annual meeting on Thursday, January 24, 2013 at approximately 3:00p.m. at McKinney's in Benson. The CVAC annual meeting will be held the same day starting

at 1:00, BCP will immediately follow. BCP has one open seat this year on the board of directors. Kieth Kvistero is retiring from the board, he has served many years on the BCP board. Kieth has been an excellent board member and will be missed. If you are interested in being on the board, please fill out the enclosed form and return it to the office.

We will be sending out the annual meeting packet in January. We are looking forward to seeing you at the meeting. Hope you all have a safe and joyous Holiday season.

*By Deb Mennis,
Benson Corn Pool General Manager*

INCOME STATEMENT		Sep-12		BALANCE SHEET		9/30/12	
Bushels - enrolled			11,181,006	ASSETS			
Revenue				Cash	\$		111,759
	Sales of Corn	\$	57,106,156.18	Accounts Receivable	\$		2,759,065
	Misc. Income	\$	626.05	Prepaid Insurance	\$		3,800
Total Income		\$	57,106,782.23	Hedge Margin	\$		463
Cost of Goods Sold				TOTAL ASSETS	\$		2,875,087
	Corn purchases	\$	57,341,048.20	LIABILITIES & EQUITY			
	Hedge (gain) loss	\$	0.00	Accounts Payable	\$		157,294
Total Cost of Goods Sold		\$	57,341,048.20	Note Payable	\$		1,575,000
Expenses				Marketing Fee Payable	\$		1,641,418
	Board Expenses	\$	27,520.76	Member Equity	\$		(152,669)
	Interest Expense	\$	44,061.98	Current Year Income (Loss)	\$		(345,956)
	Administrative Expenses	\$	40,107.51	TOTAL LIABILITIES & EQUITY	\$		2,875,087
TOTAL EXPENSES		\$	111,690.25				
NET INCOME		\$	(345,956.22)				

