



Benson Corn Pool

270 20TH ST NW, Benson, MN 56215

320.843.4813

Letter from the Chairman

July 15, 2017
Corn Pool Members;

As I write this newsletter, it is already in the high 80's with the forecast for the 90's the rest of the week. Meanwhile, rain has not fallen for over three weeks in our area. It is surprising how good the crop still looks. I guess we are the lucky ones, just 5 miles south of our farm they were plummeled with hail. Some places were completely hailed out and some beans have been replanted. Hopefully with some good weather, they will pull through.

Brody is doing a good job buying corn. Thank you, Brody! There is plenty of old crop corn around so this is helpful. As we have said before, the new corn handling site makes it easy for any and all deliveries. With the corn pool needing to buy over 11 million bushels, this is very important.

I would like to remind you of the sign up. If you have any changes please send them in. If you are leaving things as is, there is no need to send anything back.

I would like to acknowledge the Corn Pool Board members and thank them for all their contributions and dedication to the Board. We are looking out for your best interests. Also, thanks to Deb, Denise and Chad for all their help!

Have a fun and safe summer!

*Roger Longhenry
Chairman*



Letter from the General Manager

May marked the close of the 2nd trimester for FY17, at that time we recorded a \$0.13/bu loss. The May 2017 financial statements are included in this newsletter for your review. As noted on the balance sheet, we had \$475,000 due on our loan at the end of the trimester. We also show \$1.1 million recorded in receivables. The receivable is the end of trimester adjustment due from CVAC, which was paid to BCP the first of June. At that time we paid off our loan, which is currently at zero.

On the income statement you will see we have recorded \$1,325 of interest expense to date. We are anticipating the need to access our line of credit again before year end and expect to end the year with a balance due. As usual, we will pay the note off the first of October after we receive the end of trimester price adjustment from CVAC.

As you will recall, FY17 brought a fee change between CVEC and BCP. CVEC buys the corn for BCP and delivers it to the plant. CVEC charges a handle fee for that service, and the handle fee

went from \$0.105/bu to \$0.13/bu for FY17. As expected, that fee change has impacted the loss at BCP. Projections are that we will end the year with a \$0.12 to \$0.125/bu loss.

The notice for FY18 BCP enrollment was sent out the end of June. If you would like to make a change in the number of bushels you have enrolled, you will need to contact the office for the paperwork. However, if you decide to keep your enrollment bushels the same, there is no action required. The deadline for enrollment is August 1; feel free to contact the office if you have questions or need forms.

BCP will be sending out another newsletter mid-November. That newsletter will show the final results for FY17. In the meantime, feel free to call with any questions or concerns.

*Deb Mennis
Benson Corn Pool General Manager*

Corn Market Commentary

While this year's planting season was far from perfect, we've seen yet again this month that the extremely large domestic and world corn stocks will weigh heavily on the market. Without a sustained hot & dry period during the growing season, the corn market will be hard pressed to sustain more than a 15-20 cent rally as the farmer looks for any opportunity to sell their large amounts of old crop corn. According to the June Stocks Report, the nation's farmers currently hold 15% more on farm than this time last year, and Minnesota farmers hold about 11% more bushels than they did this time a year ago.

US Planted Corn Acres also came in nearly 1 million acres higher than expectations which will provide additional head-winds for prices. Without a legitimate hot & dry story that begins to erode yield potential and act to limit farmer selling, upside in the short-run will be limited by the large farmer stocks left to market. If you believe the weather struggles to this point will make trend line yield unachievable, be prepared for any corn rally to take time as the market will need the USDA and harvest confirmation before trading higher, absent hot &

dry weather. Watch for the monthly USDA Supply & Demand report on August 10th to provide the next opportunity for a reduction in yield if this is your bias.

To this point, new crop farmer sales have been slower than average. December futures levels above \$4.00 should be considered as a good starting point, but if you know you will have harvest bushels to move and would like to maintain upside after harvest, please consider our Average Price contracts. These were very popular contracts with producers last fall and provide you with the option to contract harvest delivered bushels at the Area Average +\$0.04 Price averaged over the daily close between October 1st and January 31st.

A reminder that bushels enrolled in the Benson Corn Pool can be withdrawn and moved into the delivery position at the end of any trimester. If you have questions about this or would like to discuss your individual situation, please don't hesitate to call at 320-843-1231.

Enjoy the rest of the summer!

Brody Padgett
CVEC Commodities Manager

Current Resident
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Benson, MN 56215



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270 20TH ST NW

Balance Sheet		Income Statement	
May 31, 2017		FY17	
	Assets		Bushels
	Cash \$	8,082,087	Revenue
	Accounts Receivable \$	24,341,726.48	Sales of Corn \$
	Prepaid Insurance \$	2,813.67	Misc. Income \$
	Hedge Margin \$	24,344,540.15	Total Income
	TOTAL ASSETS \$	25,353,525.67	Cost of Good Sold
		Corn Purchases \$	25,353,525.67
		Hedge (gain) loss \$	0.00
		Total Cost of Good Sold	25,353,525.67
		Expenses	Expenses
		Board Expenses \$	22,971.24
		Interest Expenses \$	1,325.00
		Administrative Expenses \$	29,460.92
		Total Expenses	53,757.16
		NET INCOME	\$(1,062,742.68)
	Liabilities & Equity		
	Accounts Payable \$		
	Note Payable \$		
	Marketing Fee Payable \$		
	Member Equity \$		
	Current Year Income (Loss) \$		
	TOTAL LIABILITIES & EQUITY \$		
2,196,204	FALSE		
154,886			
475,000			
1,608,652			
(42,334)			
2,196,204			