I am honored to be able to speak to you!

My goal is to offer practical options for food security based on experience and current practices.

Cooperative Elevator Co. was formed in 1915 and is very viable today!

I have worked for Cooperative Elevator Co. for 26 years and have been the CEO for the past 6 years.
Cooperative Elevator Co. 1936

11 Locations
Approximately 469,000 metric tonnes (17,233,000 bushels)

Cooperative Elevator Co. 2010

11 Locations
Approximately 469,000 metric tonnes (17,233,000 bushels)
Grain Facilities
Akron

Elkton
Elkton Terminal

Pigeon
Pigeon Colored Bean Plant

Ruth
Idea is that the farmers are stronger together than separate.
The Cooperative motto is “In Unity There is Strength”.
Cooperative Elevator Co. is both a marketing and supply cooperative.
Supply members with inputs for agricultural production including seed, fertilizer, precision agriculture services including machinery services, fuel, feed and financing.
Market farm products.
Risk Management

- Participated with the government to construct storage in the 1970's because of export demand and a need for the US to secure food stocks
- Chicago Board of Trade
- Pools
- Share risk in financing farmer inputs

Brief History – Chicago Board of Trade

- Formed in 1848 to bring order to grain prices that cycled from extremely high to extremely low
- When grain was scarce prices were high
- At harvest time prices were low
- Board of Trade offered farmers a way to get a guaranteed price for their goods ahead of time by offering 'to arrive' contracts (futures)
- At planting a farmer could negotiate the price he would get at harvest time
- Buyers of grain were assured in advance a specific supply
- Cooperative Elevator Co. uses CBOT to form a hedge or opposite position to minimize risk
Pool Example
Cooperative originates beans from farmers for a specified price and specified quantity forward contracted prior to planting with a wholesaler.

Any extra deliveries are placed in a pool. The crop is marketed throughout the year. Partial pool payments are made to coordinate with input needs. Once the pool is completely marketed a final payment is made to the farmers in the pool.
Commodity is received and stored

Commodity is processed
Commodity is bagged and palletized

Railcar is loaded
Product is transferred to truck and moved into the Central de Abastos

Warehouse in Mexico
Central de Abastos, Mexico

Our branded product
Our branded product

Package Products
Key Elements

- Cooperative, farmer, wholesalers and consumers need to be able to sell for a price above their costs.
- Wholesalers must have integrity.
- The pool will not return the highest price of the market, but it also will not return the lowest price of the market.
- Grain pools would operate similar, additional hedging tools can be incorporated.
- Profits of the Cooperative are returned to the farmers based on their individual volume of business done with the Cooperative.

In Unity There Is Strength!
Thank you!