



A CENTURY OF ADAPTING

**ELEVATOR SERVES FARMERS
WITH VISION AND TECHNOLOGY**

By Alan Van Ormer

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For 100 years, the Madison Farmers Elevator Company has been part of the Lake County (SD) landscape. While there have been changes over the century, the constant has always been the farmer support of the elevator.

“We have concentrated our business with the farmer in Lake County,” explains Mark Stoller, who has been the manager since 2001. “There have been three or four generations that have done business over the years. Board members have served from 10 to 20 years, and their sons and grandsons are also board members. Sons and grandsons have taken over the land and continue to farm the land.”

Ron Minnaert, chairman of the Farmers Elevator board of directors, says the board members and managers have made the company successful through the years.

“The patron base has been very supportive of the elevator,” he observes. “We have to be forward looking to expand our customer base to take care of our customers. We try to have the facilities to meet the farmers’ needs throughout the year.”

According to the Farmers Elevator history books, the first elevator was constructed in 1908. A fire destroyed the structure in 1910, but the bin was rebuilt. In 1955, a 65,000- bushel crib elevator was completed. Then the next year, a steel Quonset that had the capacity for more than 100,000 bushels and several smaller bins were constructed. By 1958, the elevator had 290,000 bushels of storage capacity.



Madison Farmers Elevator Company, photo courtesy of Silver Creek Productions, Inc.

In the early 1960s, the company purchased an anhydrous plant and the applicators to go with it. Two years later, in 1964, a new fertilizer plant was built. The Ramona Elevator was also purchased that same year. In 1975, the Madison Farmers Elevator Company moved into the technology age by purchasing a computer to help with the bookkeeping.

Then in 1981, another fire destroyed the elevator structures except for one house. The fertilizer plant was also damaged by fire and water. The rebuilding

FROM THE PRESIDENT

We are hearing a lot of talk about the need to control greenhouse gas emissions that contribute to global warming. What we are not hearing is a lot of talk about the consequences of rushing toward controls that could damage the economy and leave consumers breathless when paying for energy.

A greenhouse emissions control bill coming up for debate in the U.S. Senate in a few weeks would result in a doubling of electric rates in our region by 2012. Known as the Warner/Lieberman bill, it would impose an aggressive carbon dioxide (CO2) emissions control program on all sectors of the U.S. economy. CO2 is a byproduct of burning any fossil fuel, as well as simply exhaling breath by humans and other creatures.

The CO2 emissions controls that would be imposed on the electric industry cannot be met with currently available technology. There are some simple questions that should be asked about the cost and impact of this and similar legislation pending in Congress. The questions are:

- Experts say that our nation's growing electric needs go well beyond what can be provided by renewables and energy efficiency. What is your plan to make sure we have the energy we'll need in the future?
- What are you doing to fully fund the research required to move toward a carbon free economy at an affordable price?
- Environmental goals and energy needs are important concerns to every person. How much is this going to increase my energy bills and what will you do to make it affordable?

An economy where little disposable income is left over for average consumers after paying for energy looms in the immediate future if Congress makes a rush to judgment on greenhouse gas emissions. One last question: Does this kind of economy seem a vibrant and prosperous legacy to leave to the next generation?

Mike McDowell, LAIC President

AN OUTERWORLD UPGRADE

By Doug VanDerWerff

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To meet and exceed the needs of its customers Outer World has expanded its offerings to include full color wide format digital printing and cutting. The Mimaki JV3-1300 printer has a 54" print capacity, and the ability to print directly on to vinyl lettering material and **banners of all kinds**. This means full color graphics at less cost than the old spot color lettering. In addition to printing, OuterWorld also expanded its vinyl cutting abilities with a brand new 54" Mimaki plotter: adding the feature of being able to print your logo as well as contour cut around it. What this means for OuterWorld's established customers and its new customers is graphics that make people notice them, printed on the highest quality materials at the lowest possible price.



New banners to provide national exposure by B & G Transportation.

WELDING LAB: A BRIGHT OPPORTUNITY

Article contributors: Gehl Company &
Lake Area Technical Institute

The Gehl Company, among many others in the industry, has been struggling to find enough qualified welders to fill our needs for many years now. In response to the need, the company has remodeled a portion of the CE Attachments facility (formerly May & Scofield) adjacent to its manufacturing plant in Madison to serve as a welding laboratory.

The lab consists of 5 pulse welding machines, workbenches, desks, etc. In addition, Gehl has partnered with the LAIC and the Lake Area Technical Institute to offer the welding lab to be used as a community training facility. The welder training program we have created will train each of our currently employed welders to the AWS D14.3 welding code for Earthmoving and Construction Equipment. The LATI is providing the welding instructor for the lab. The training that will result will help to ensure that we have a staff of qualified welders to allow us to flourish within our industry.

Other companies in the area need qualified welders and they would also be allowed to use the facility and equipment to train people in the trade. The design of the welding curriculum, and the facilitation of the courses offered will be managed by the Gehl Company, the LAIC and the Lake Area Technical Institute. In addition, an associate's degree in welding will be offered with the LATI providing the welding instruction. The Dakota State University has partnered with the LATI to allow interested students to receive their core classes from DSU to fulfill the non-weld requirements. Through it all we hope that the progressive programs created will supply the necessary skills to the local economy and help all of the companies in the local area to grow their businesses.

A CENTURY OF ADAPTING (CONTINUED)

process started once more. That same year, the company bought land and railroad facilities to build a new elevator on the west side of Madison. It cost more than \$2 million.

Twenty years later, Stoller's first year on the job, the elevator board of directors made another \$2 million investment to upgrade the facility to handle 110 rail cars. Before that time, the elevator was loading 54 cars at a time.

"That gave us greater opportunity to capture freight at a savings and hit different markets that gave the farmers the opportunity to get better prices," says Stoller.

There have been other additions over the last six years. An estimated 5.5 million bushels of permanent and temporary storage was added to the facility. Technology changes have allowed the elevator to work with greater capacity and faster speed in helping the farmers.

In 2007, the Farmers Ag Center LLC was formed. It is a combined ownership with the Madison Farmers Elevator and the F&M Co-op, also located in Madison. Stoller says the two entities combined fertilizer businesses and built a shuttle unloading facility.

"It will be as dramatic a change in the community for meeting farmers' fertilizer needs as when we went to 110 cars," Stoller asserts. "The same impact will be felt in time."

Each company had the capacity for 1,000 tons of fertilizer. The new plant has the capacity for 20,000 tons. The elevator used to bring in fertilizer by truck. Now, that will be handled by 65 to 75 rail cars at a time, adds Stoller.

Also, the elevator has increased its concentration of customers in Lake County, states Stoller. "Lake County is

our strong base, but we do touch a few of the surrounding townships and surrounding counties,” he says. “We are a very strong co-op. We’ve been here for 100 years based entirely on farmer loyalty.”

In addition, Stoller says that the company has narrowed its service offerings over the past 100 years. “We used to handle different services,” he emphasizes. “We now primarily try to be good at what we do, which is mainly grain, feed, and fertilizer.”

The changes have had a tremendous impact on the elevator, explains Minnaert, who notes that, “just eight years ago we handled 7 million bushels of grain annually. Now, we handle 22 million bushels a year. It gives the farmers a better market and a good place to get rid of grain in the fall when they have to move it.”

The elevator has also moved toward a hedging program.

“This program allows farmers to price the grain ahead so they know what the profit will be at the end of the year,” says Minnaert. “It gives farm families better cash flow and enables them to guarantee a profit.”

Stoller says being a cooperative means cooperation between farmers to build the business and cooperation between the 17 employees in the Madison and Ramona communities to make the business successful.

“There are a lot of things that have worked well over the years,” he concludes.

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