

Merger Discussions With Farmers Grain of Piper City

In a stockholder letter in February we announced Ludlow Co-op and Farmers Grain Company of Piper City were going to investigate the possibility of a merger. The merger study has progressed and looks encouraging. Discussions are proceeding well.

We anticipate increased synergies from combining Piper City operations with those of our existing facilities and increased opportunities generated by our Midwest Grain merchandising subsidiary will increase overall profitability.

We have seen some recent recovery in grain prices over the past couple of weeks.

On the economic front there has been an increase in fund buying of commodities. Although commodity funds and hedge funds have taken large losses over the past six months, they still have a lot of money that they can invest. With the losses in stocks, real estate, and commodities a lot of this money has been setting in cash looking for an opportunity. As the stock market rebounded and the dollar weakened and the specter of inflation began to look like more of a risk than deflation so some of this cash began to buy commodities. This has helped to support prices.

On the fundamental side, the March 30th USDA report reinforced that we are tight on old crop soybeans. New crop soybeans did not show the increase in planted acres that the market anticipated. This has supported new crop soybean prices. Old crop corn usage was in line with expectations. The old crop carryout numbers could still increase. Although export demand has improved with the weaker dollar, ethanol and feed demand may still be too high. The USDA models have great history, but dealing with change – like increased DDG usage – can cause them problems.

Most importantly, as always, is weather. To get the USDA's intended planted corn acres we are going to need to get the weather to cooperate. Until the forecast improves I would expect support under the market.

**LUDLOW COOP IS STILL OFFERING
FREE DELAYED PRICING ON**

CORN DELIVERIES

**Beginning 3/2/09 to any Ludlow Coop Facility,
Free through 7/31/09**

BEAN DELIVERIES

**Beginning 12/8/08 to any Ludlow Coop Facility,
Free through 8/25/09**

Spring Seeds Are Available!

Lawn Seed For Sale:

Kentucky Bluegrass	\$85.00/bag
Perennial Ryegrass	\$70.00/bag
Ludlow Triple Ryegrass	\$80.00/bag
Sun & Shade 25# Bag	\$42.00/bag

Field Seeds:

Horse Pasture Mix	\$55.00/25# bag
Bromegrass	\$90.00/50# bag
Timothy	\$65.00/50# bag
KSC Pasture Mix#2	\$125.00/50# bag
Vernal Alfalfa	\$125.00/50# bag
Durastand Alfalfa	\$145.00/50# bag
Magnum V Alfalfa	\$249.00/50# bag
Magnum VI Alfalfa	\$264.00/50# bag

Certified Buckskin Oats	\$15.00/bag
2 bushels	
Wheat	\$7.00/bag

bin run oats for \$9.10/bg for a 1.5 bu bag

John Schweizer, Seed Sales & Feed Manager

We have named our "grain brochures"

The Grainery. Years ago we used to call our Newsletter The Grainery. It is past time to name these brochures and in taking a survey of ideas from company employees we are going back to the name we used to call them!

We hope you enjoy the information we send out in the Grainery! You can also visit our website to see previous brochures at www.ludlowcoop.com

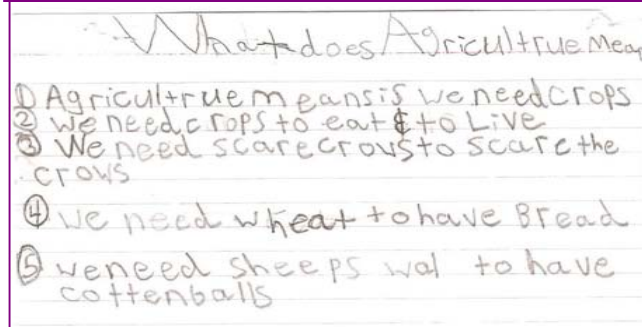
Ludlow Coop's Grainery for April 2009

National Agriculture Week was March 15-21, 2009 With National Agriculture Day being March 20, 2009 The Ford-Iroquois Ag in the Classroom Partnership hosted a poster contest for county schools to promote National Agriculture Week. Ag in the Classroom is designed to educate youth and adults about the importance of agriculture in our lives.

CONTEST SPONSORED BY FORD-IROQUOIS AG
IN THE CLASSROOM PARTNERSHIP.
FOR MORE INFORMATION CONTACT THE
FORD-IROQUOIS EXTENSION OFFICE AT 815-268-4051



**THIS POSTER WAS CREATED BY:
ANTHONY COY, 4TH GRADER AT
PAXTON BUCKLEY LODA EASTLAWN
THIS IS WHAT
AGRICULTURE MEANS TO HIM. . .**



ABOUT YOUR CUSTOMER ACKNOWLEDGEMENT....

Enclosed with this brochure is your patron grain statement. The information on this statement pertains to your grain account as of 2:00 p.m. APRIL 3, 2009. We are sending this information to you in order for you to double check your records to ours. The statement details your grain that is on open storage/delayed pricing/hold etc. Also included on the statement are the open contracts of grain you have sold through Ludlow Coop for future deliveries or to be applied to your bushels that are in the elevator already. The dates are shown by month and year for the delivery period of the contract in which the grain was sold. For example, if you have sold grain for 2009 harvest delivery the dates are shown as 10/1/09-11/30/09. For location number references please look at the back page.

GRAIN IN THE ELEVATOR AND OPEN CONTRACTS.
When you look at your grain statements the bushels in storage or on delayed pricing are NOT reduced by any existing contracts for future delivery periods. We cannot apply grain sold for a future delivery period until the 1st day of that delivery period. For example, if you put 10,000.00 bushels in storage at harvest and have 5,000.00 bu sold for August your statement as of today will show 10,000.00 bushels storage and an open 5,000.00 bushel August contract.

We are asking that patrons please look over the statements and if you find any errors please contact our Buckley/Ludlow/Danforth offices immediately! Please do not wait until a later date.

Thank you for your assistance,
Office Staff



LUDLOW OFFICE

FOR THOSE OF YOU WHO WONDER ABOUT TRAIN LOADINGS AT PAXTON...

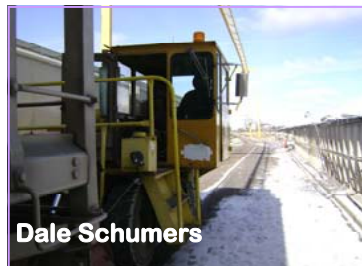


Randy Rascher

As soon as the train arrives in the yard, the car numbers are written down by an employee, usually Myron Rust or Randy Rascher. The day usually starts between 5 and 5:30 a.m. Train loading can happen any day of the week, including Holidays. We start elevating the grain and getting the switchmobile (see picture), which is ran by Dale Schumers, on the tracks and start to get the cars switched onto the loading track and getting the cars ready to load (opening top lids and checking and closing bottom doors) this usually takes 4 people. We call this group "the track crew" who consists of Rick Gooden, Casey Steiner, Rex Phillips, Keith Carson and Bill Jarboe.



Rex Phillips



Dale Schumers

The switch engine, which pulls out and switches the loaded cars, is usually operated by Randy Rascher, Bert Brees or Andy King. Rex also helps out with the engine if someone else isn't available.

The 3rd floor is where the person controls loading, when the cars are to be moved, and in what direction. The weights and car numbers are also entered in the loading computer. All of the blending from what bins and how much grain is loaded is also controlled from here. This is done by Myron Rust, Dave Arseneau, Scott Benninger Sr., or Andy King. When loading during the week either Myron, Dave or Scott has to be in the control house at the truck dump. Fourth floor is manned by Champaign Danville Grain Inspection Inc., with either 2 or 3 people there. Each car is inspected by the graders before loading for cleanliness. All cars are graded individually. All grades are required to be within a certain range. Off grades can cause cars to be unloaded and re-loaded.



Scott Benninger

Last but not least the paperwork. This is done by Joann Hildenbrand and Tina Karlock. They are in the Paxton office setting up an excel spreadsheet with car #'s that are sent from the CN railroad and Midwest Grain LLC (our merchandisers) At this point they have to double check car #'s. While switching cars the track crew is responsible for giving car #'s on the FM radios so they can be entered on the loading computer and checked once again. This is done all day long until the last set of cars are switched in. Weights and grades are also entered on the excel sheet. Now a lot of days, outside of harvest, Paxton is still dumping 100-150 trucks a day, it makes for a VERY BUSY DAY for everyone. At this point the bill of lading is done electronically by the girls in the office, sent to the railroad and OK'd. One wrong number or weight and the railroad will not accept it. Precision is a must and this all has to be done in a timely manner as most trains have a 24 hour load time. This entire process of loading cars and the paperwork takes between 10 and 11 hours, depending on the number of cars. The Paxton Facility loads between 4500-5000 cars per year, approximately 50 trains.

First thing to get this to happen is the train has to be merchandised and sold by Midwest Grain LLC (Fred Gent, Debbie Jolly and John Cowell).

Now when you add picking up a grain pile you have a tremendous amount of grain being moved through a facility in one day. This operation takes a lot of help on any one day, anywhere from 12 to 20 people. So I hope this gives people a little better understanding of why we need to bring other employee's in on train loading days.

Submitted by Bill Jarboe, Perdueville Location Manager, Joann Hildenbrand & Tina Karlock, Paxton Office



This is a picture of our new warming shed that the "track crew" can warm up in on cold winter days when loading trains. The sign is in memory of Jerry Harris and always a reminder, even after two years, of our fellow employee and safety issues when loading trains. It still feels like Jerry should be here running the switch. He will always be missed by the people that worked with him.