

Harvest 2018



CORN STORAGE/DRYING RATES FOR 2018 CROP

Unless you notify us otherwise, corn will be placed into storage
7 days after the first day of delivery

STORAGE CHARGES:

13 cents day of delivery plus \$.001 per bushel per
day (3 cents per month) through 8/31/19

DELAYED PRICING RATE:

11 cents day of delivery plus \$.001 per bushel per day
(3 cents per month) through 8/31/19

**ALL DISCOUNTS ARE ON A PER LOAD BASIS -
NO AVERAGING**

CORN SHRINK: ("MO" on Delivery Sheet)

1.4 each 1% (applied as 0.14% each 1/10% moisture) Over 15.0%
15.0% For Contract/Delayed Price/Sold within 7 days of first day of
Delivery 14.0% For Open Storage/Warehouse Receipt

DRYING: ("DR" on Delivery Sheet) assessed on wet bushels

1.50 cents each 1/2% moisture (or 3.0 cents each point) over 15.0% TO 25.0%
1.25 cents each 1/2% moisture (or 2.50 cents each point) 25.1% and higher

TEST WEIGHT: ("TW" on Delivery Sheet)

53.0 - 53.9	1 cent
52.0 - 52.9	2 cents
51.0 - 51.9	4 cents
50.0 - 50.9	6 cents

Below 50.0 subject to market scales

FOREIGN MATERIAL: ("FM" on Delivery Sheet)

3.1 - 4.0	2 cents
4.1 - 5.0	4 cents
5.1 - 6.0	7 cents
6.1 - 7.0	10 cents

Subject to rejection over 7.0% 4 cents each 1% over 7.0%. Maximum FM ac-
cepted 10.0%

DAMAGE: ("DM" on Delivery Sheet)

5.1 - 6.0	2 cents
6.1 - 7.0	4 cents
7.1 - 8.0	6 cents
8.1 - 9.0	8 cents
9.1 - 10.0	10 cents

Subject to rejection over 10.0%

HEAT DAMAGE: ("HT" on Delivery Sheet)

0.3 - 1.0	2 cents
1.1 - 2.0	4 cents
2.1 - 3.0	6 cents
3.1 - 4.0	8 cents
4 cents each 1% over 4.0% - max 8.0%	

MUSTY: ("MU" on Delivery Sheet) - 7 cents

SOUR: ("SR" on Delivery Sheet) - 10 cents

HOT/HEATING: ("HE" on Delivery Sheet) - 10 cents

WEEVEL: ("WV" on Delivery Sheet) - 10 cents

COFO: ("CO" on Delivery Sheet) - 10 cents

Reference to location numbers:

Ludlow #100	Perdueville #300	Buckley #400	DelRey #600
Danforth #610	LaHogue #630	Piper City #640	Paxton #900
Direct Shipments #800			

**Your enclosed Customer Acknowledgement
Statement is as of 8/28/18 3:00 p.m.**

BEAN STORAGE RATES FOR 2018 CROP

Unless you notify us otherwise, beans will be placed into storage
7 days after the first day of delivery

STORAGE CHARGES:

13 cents day of delivery plus \$.001 per bushel per
day (3 cents per month) through 8/31/19

DELAYED PRICING RATE:

11 cents day of delivery plus \$.001 per bushel per day
(3 cents per month) through 8/31/19

**ALL DISCOUNTS ARE ON A PER LOAD BASIS -
NO AVERAGING**

MOISTURE: Soybeans are shrunk to 13.0%

BEAN SHRINK: ("MO" on Delivery Sheet)

1.25% each 1/2 % moisture 13.1% to 15.0%
2.0% each 1/2 % moisture over 15.0%

TEST WEIGHT: ("TW" on Delivery Sheet)

53.0 - 53.9	1 cent
52.0 - 52.9	2 cents
51.0 - 51.9	3 cents
50.0 - 50.9	4 cents

Below 50.0 subject to market scales

FOREIGN MATERIAL: ("FM" on Delivery Sheet)

All Foreign Material in excess of 1% will be docked from gross
weight.

DAMAGE: ("DM" on Delivery Sheet)

2.1 - 3.0	1 1/2 cents
3.1 - 4.0	3 cents
4.1 - 5.0	4 1/2 cents
1 1/2 cents each additional 1/2% over 5.0%	

HEAT DAMAGE: ("HT" on Delivery Sheet)

0.3 - 0.5	2 cents
0.6 - 1.0	4 cents

MUSTY: ("MU" on Delivery Sheet) - 5 cents

SOUR: ("SR" on Delivery Sheet) - 10 cents

HOT/HEATING: ("HE" on Delivery Sheet) - 10 cents

WEEVEL: ("WV" on Delivery Sheet) - 5 cents

COFO: ("CO" on Delivery Sheet) - 10 cents

**Corn & Soybeans remaining in Storage & Delayed
Pricing as of 9/1/2019 will be assessed the new
2019-2020 minimum plus daily storage rate and any appli-
cable carryover charges in effect at that time. Any accu-
mulated and unpaid storage/delayed pricing charges as
of that date are payable and due by
September 25, 2019.**

**Facilities will be posting signs with dates of
Farmer Appreciation Cookouts**

ARE YOU READY FOR HARVEST...

- Please be sure to have new and/or changed accounts set up prior to delivery of grain.
- Limit cell phone usage
- No smoking
- Please inspect your hopper doors to make sure they are in good working order
- Have trailers/wagons un-tarped prior to entering the scale
- Be courteous and let empty vehicles weigh out, if you are waiting to weigh full
- Double check tickets and make sure they are correct when weighing out
- Be alert - especially in the pit areas
- After dumping, please double check hopper doors to make sure they are closed

**If you know what you want to do with your grain that will be delivered this upcoming harvest
(open storage, delayed pricing, sold at end of day, applied to contract, etc.)
Please let your settlement facility know ahead of time!**

What's going on at Ludlow Coop by Paul Seaman, GM

We are in the final stages of a new bin project at our LaHogue facility. A new 105' diameter grain bin with the capacity to hold 769,000 bushels is nearing completion. We are also in the process of extending the driveway at LaHogue to enable semis to get around the facility without having to wait on other vehicles to get out of the way after dumping. This will help alleviate wait times at harvest and improve traffic flow. The new bin will give LaHogue a total storage capacity of 2.1 million bushels. This should enable LaHogue to hold its entire current harvest volume without having to ship any bushels out at harvest time. This will free up semis and enable them to concentrate on other locations' needs and also allow us to be able to use the trucks to pick up grain out of the field at harvest.



Over the past three years, we have added 2.9 million bushels worth of new bin storage at Piper City, Paxton and this year at LaHogue. These new bins bring our total permanent storage capacity to 18.4 million bushels. Including the two temporary bunkers that we have at Paxton, our storage space is 20.0 million bushels. One of our objectives is to have enough permanent storage capacity at select locations so that we will not need to move any corn or beans at harvest. These additions are a good start on getting our storage capacity to where we feel it needs to be, although there is still work that needs to be done.

During our March Board Planning meeting, we concentrated our thoughts on where we think our facilities need to be in order to handle the harvests in 5, 10 and 20 years. We recognize that all of our facilities are getting old and are going to be in need of upgrading. The board is committed to working towards the goal of getting storage space and leg capacity upgraded so that we can handle bigger yielding harvests that come in at a faster pace. This is going to be a big challenge for us to undertake as many of our facilities are barely equipped to take grain at the pace that you operate at today, let alone the pace that we could see in 5-10 years or more. We will need to continue to generate adequate earnings in order to be able to spend the needed dollars to upgrade and grow our facilities.



In addition to building new storage, we have existing grain legs, conveyors and dryers that are in need of replacement as many of them are original equipment that are 30-40 years old and are getting wore out and beyond their useful life.

I want to thank all of the Ludlow Coop employees for helping make this past year a profitable one for the Coop. It takes all of your combined efforts to make this a financial success and I thank you for that. I also want to thank all of the Ludlow Coop patrons for your continued patronage of the company. You are the ones that we are working for as we try to improve on what we have, so that we can continue to service you into the future.



Ludlow Coop had a new phone system put in at all locations. The phone system is internet based and after so many rings at a location the phone call is forwarded to another location. All locations no longer have an evening recording with bids.

PHONE NUMBERS FOR FACILITIES:

PERDUEVILLE 217-379-4367
DANFORTH 815-269-2390
LUDLOW 217-396-4111
PIPER CITY 815-707-3347

PAXTON 217-379-4366
DELREY 815-268-7217
BUCKLEY 217-396-2331
LAHOGUE 815-265-7211

Ludlow Coop's policy on removing Lien Holder names from patron's accounts: We must receive a release from the Lien holder either by U.S. Mail or email. We CANNOT take off a Lien without having something in writing from the Lien Holder.

Keep us updated on your address...

Please be sure to let a Ludlow Coop Facility know your address changes. As a Shareholder, you may be retired but if you farmed back as far as 2010 you still have equity in the company and it will be redeemed by the board in upcoming fiscal years and we want to make sure you get your money.

FISCAL YEAR RESULTS FOR 7-1-17 THRU 6-30-18

Ludlow Coop Board of Directors voted:

- To redeem the balance of the 2009 allocations \$315,717.33
- Pay Dividends on 1st Preferred Stock at 8%, 2nd Preferred Stock at 6%, 3rd Preferred Stock at 4%
- Paying Patronage based off the settlements from 7-1-17 thru 6-30-18
 - 1 cent on corn, beans, wheat
 - Corn Drying and Corn, Bean & Wheat Storage Charges 4.5%
 - 40% was paid in cash and 60% was issued as allocated equity in your account



2018-2019 Board of Directors (left to right: Front row Greg Niewold-Treasurer, Roger Gustafson-Vice President, Rick Nelson-President, Ryan Vance-Secretary. Back row Richard Peavler, Anthony Conn, John Ark, Pat Quinlan, Kenny During.



08/14/2018



08/14/2018



08/14/2018



Our End of Day Procedure Cutoff Time Change

"End of day" is part of our grain accounting procedures. During the end of day routine our grain accounting takes all the account activity from the cutoff of the previous day until the cutoff time of the current day and finalizes it. The procedure helps us to track our activity and space available for grain along with an audit trail of the day's activities. Previously we cutoff at 2:00 p.m. Monday - Friday (during harvest we cutoff on Saturday's also). **The cutoff time has now been changed to 3:00 p.m.** - The amount of time we are locked out from looking up accounts and updating scale tickets can usually be up to an hour depending on issues that may arise. We ask for your patience during these daily procedures.

Be sure to share your Harvest '18 pictures with us on Facebook or email them to your local Ludlow Coop office

August 20, 2018
Merchandising Report-By Scott Jones

Harvest is just around the corner as early planting and warm summer weather have pushed maturity of both corn and beans ahead of normal. Farmers, buyers and grain traders are all anxious to see just how big the corn and bean crops are going to be.

The August crop report from USDA indicated the potential for new record yields for both corn (178.4 bpa) and beans (51.6 bpa). This was based on new record corn yields in Illinois, Nebraska, S. Dakota, Ohio, Tennessee and Alabama. (see state maps) The bean maps are similar with new record yields in Illinois, Indiana, Ohio, Pennsylvania, Nebraska and Alabama.

These yield estimates pushed the bean carryout number for September 1, 2019 to a new all time high of 785 million bushels. Corn carryout was bigger than anticipated at 1.684 billion, but that is no where near a new record carryout.

Little or no bean export business to China is calculated into these numbers as most traders feel the trade war will linger on long enough that the US will miss most sales opportunities during this crop year and Brazil and Argentina will plant additional acres for their next crop to try to capture a

Record corn yields for Illinois, Ohio, Nebraska, and South Dakota

