

## Common Stock Issuance Policy

January 22, 2018

For patrons who qualify according to the Bylaws of the company and who have, or are going to have grain delivered to Ludlow Coop and do not own a common share of stock, and are determined to be at production risk, the following will apply.

At the time a new patron account is set up and grain is delivered, or it is determined that a current grain patron does not own a common share of stock, Ludlow Coop will issue the producer one \$10 share of common stock and invoice the patron for the \$10 stock fee. The producer may either pay the \$10 fee for the common share of stock or the charge can be deducted from the producer's first grain check. No monthly finance charges will be accrued on the unpaid \$10 share fee as long as it is understood and agreed that the \$10 charge will be deducted from the first grain settlement.

Before any new common share of stock is issued, it will need to be affirmed that the producer does not have a common share in another account, or entity, as only one common share is allowed per individual.

Approved by the Ludlow Cooperative Elevator Co. Board of Directors at the January 22, 2018 Board Meeting.

Ludlow Coop Board of Directors

**Please be sure to keep us updated with your current address! Even if you are not an active farmer you may have stock &/or patronage that will be redeemed in future years.**

At the 2010 Annual Meeting, the stockholders approved an Amendment to the Articles of Incorporation creating a **new class of stock called Third Preferred Stock**. The Stock will pay a fixed non-cumulative dividend of 4% per annum based upon the Par Value thereof when and as declared by the Board of Directors. The holders of such shares shall not be entitled to vote at any meeting of stockholders.

### 3rd Preferred Investment Stock Available

do not have to be a current stockholder to purchase  
3rd Preferred Stock

The initial dividend declared on the stock will be prorated from the date of purchase to the end of the company fiscal year. Stock will be issued at a Par Value of \$500.00 or any multiple thereof with a minimum purchase of 5 shares (\$2,500) and a maximum purchase of 200 shares (\$100,000). All proceeds of the issue will be used for the general working capital in connection with storage, purchase and sale of agricultural commodities and supplies.

*We all saw a lot of this in February, Rte. 45 between DelRey and Onarga picture provided by Dale Schumers, DelRey employee*



**CBOT & LUDLOW COOP  
WILL BE CLOSED  
FRIDAY, MARCH 30TH  
IN OBSERVANCE  
OF GOOD FRIDAY**



#### ACH (DIRECT DEPOSIT) BENEFITS

Direct deposit is available for grain payments through a service known as Automated Clearing House (ACH). This service means your grain payments can be deposited directly into your bank account. The service is free and enrollment is simple.

#### **GET PAID FAST**

Direct deposit allows you to automatically deposit money from grain checks to your savings or checking account. Settlement funds are sent daily. If you settle before end of day cutoff (2:00 p.m.), funds will be available to you the following business day (subject to the rules of your own bank).

#### **SAVE TIME**

There is no need to go to the elevator to receive your check or wait to receive a check in the mail. This is great for those days you are busy in the field.

#### **LESS WORRY**

There is no need to worry about delayed mail delivery or lost mail.

#### **SAVE FUEL**

You don't have to drive to the bank to make a deposit.

#### **VERSATILITY**

Money can be deposited from grain checks, deferred grain checks, and advance checks.

#### **FLEXIBILITY**

You can inactivate the service at any point.

#### **EASY ENROLLMENT**

Call your settlement location for a Direct Deposit Enrollment form. Complete it, attach a copy of a voided check, and return it to us.

**Ludlow  
Coop's booth  
at the Midwest  
Ag Expo held  
January 24th  
& 25th.**

**Thanks to all  
our patrons for stopping by.**



**Sign up to receive your delivery location's bids -  
sign up is available on our website or  
you can call a Ludlow Coop facility to get signed up!**

# March 2018




**Ludlow Co-op**  
Elevator Company

[www.ludlowcoop.com](http://www.ludlowcoop.com)



**EXPLANATION OF YOUR GRAIN CUSTOMER ACKNOWLEDGMENT**  
Acknowledgments enclosed as of 3/2/18 1:15 pm market close!



# EXAMPLE

**Customer Acknowledgment**

Position Date:  DATE STATEMENT

Customer:  PATRON ACCT #

To:  PATRON NAME

PATRON PHONE NUMBER

Subject: Open purchase contracts and grain in elevator today.

**Delivered Balance:**

Commodity	Loc	Open Storage	Warehouse Receipt	Grain Bank	Hold	DP	Unpaid
CORN	300 BU	0.00	0.00	0.00	0.00	17,770.22	0.00
CORN	900 BU	0.00	0.00	0.00	0.00	14,490.85	0.00
SOYBEANS	300 BU	0.00	0.00	0.00	0.00	4,274.68	0.00
SOYBEANS	900 BU	0.00	0.00	0.00	0.00	1,787.00	0.00

**DELIVERED BALANCE:**  
Grain bushels delivered by location & disposition

**Open Purchase Contracts:**

Commodity	Loc	Contract	Delivery Date	Due Date	Remaining Quantity	Price
SOYBEANS	300	0067362 - 0	8/1/2018	8/31/2018	1,000.00 BU	10.26000
SOYBEANS	900	0067315 - 0	8/1/2018	8/31/2018	3,000.00 BU	10.00000
SOYBEANS	900	0067343 - 01	8/1/2018	8/31/2018	3,000.00 BU	10.03000
SOYBEANS	900	0067360 - 01	8/1/2018	8/31/2018	1,787.00 BU	10.23000
SOYBEANS	900	0067390 - 01	8/1/2018	8/31/2018	1,000.00 BU	10.23000

**OPEN PURCHASE CONTRACTS:**  
Forward contracts for future delivery or undelivered grain

**Thank you for your business**

**PRICE:**  
Price per bushel by sale per location bid

**LOC:**  
location grain hauled into-  
100 Ludlow  
300 Perdue  
400 Buckley  
500 Loda  
600 DelRay  
610 Danforth  
630 Lahogue  
640 Piper City  
900 Paxton

**CONTRACT:**  
Purchase Contract number  
We had to sign as  
Confirmation of sale.

**DELIVERY DATE & DUE DATE:**  
Beginning delivery period (for harvest we use a beginning date of 10/1/18 and ending date of 11/30/18 so we all are aware it is harvest delivery and not a possible quick ship contract or delivery time that is different than the usual "harvest".

**REMAINING QUANTITY:**  
Bushels unapplied as of "Position Date" of the statement.

**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 4274.68 bushels in Delayed Pricing this harvest at location #300 (Perdueville) and have 1,000.00 bu sold for AUGUST 2018 (at Perdueville) at a price of 10.26 your statement as of today will show 4274.68 bushels Delayed Pricing and an open 1,000.00 bushel AUGUST 2018 contract.

Please look over the statements and if you find any errors please contact one of our settlement locations: Buckley/Ludlow/Danforth/Piper City immediately! Please do not wait until a later date.

Buckley Office 217-394-2331  
Danforth Office 815-269-2390  
Piper City Office 815-686-2297  
Ludlow Office 217-396-4111

*To our patrons participating in the average pricing contract - your contract bushels will not appear on your Customer Acknowledgment until the contract is finalized, which is 6/27/18.*



## Free Delayed Pricing

**CORN** deliveries beginning MONDAY 2/12/18 are eligible for:

**FREE Delayed Pricing** - averaged by farm ID. (ONLY IF DELIVERED TO A LUDLOW COOP FACILITY) (within a 30 day delivery period/D.P. CONTRACT MUST BE SIGNED OR GRAIN GOES INTO OPEN STORAGE AT POSTED RATE) and shrunk to 15.0% FREE thru 7/31/18, rate in effect at that time.

**Open Storage** - averaged by farm ID (within a 30 day delivery period) and shrunk to 14.0% charges of NO drop charge and 1/10 cent per bushel per day (3 cents per month) thru 8/31/18, new 2018 crop rates will go into effect at that time.

**BEAN** deliveries beginning MONDAY 2/12/18 are eligible for:

**FREE Delayed Pricing - NO AVERAGING** (within a 30 day delivery period/D.P. CONTRACT MUST BE SIGNED OR GRAIN GOES INTO OPEN STORAGE AT POSTED RATE) and shrunk to 13.0% FREE thru 7/31/18, rate in effect at that time.

Open Storage - NO AVERAGING (within a 30 day delivery period) and shrunk to 13.0% charges of NO drop charge and 1/10 cent per bushel per day (3 cents per month) thru 8/31/18, new 2018 crop rates will go into effect at that time.

SPACE AS AVAILABLE - WET CORN SPACE WILL BE LIMITED

## MARKET UPDATE... SCOTT JONES, MERCHANDISER

## Merchandiser Report 3/2/18

The winter of 2017-18 has been a very challenging time for farmers who had grain to sell. Despite worries about late planting and warm, dry weather in parts of the Midwest and Northern Plains, corn and bean production exceeded even the best guesses. The results pushed estimated carryout volumes on corn and beans higher with each monthly Supply/Demand update starting back in August and ending with the February 2018 report. Prices were low, basis was wide and pricing opportunities were not promising.

US corn carryout is now projected to be 2.35 billion bushels and is very close to some of the largest carry-outs in US history dating back the mid 1980's. Beans are no different. Despite record world demand, the US carryout is forecast to end up near 530 million bushels and that is very close to the largest number on record, again from the mid 1980's. World numbers are following the same pattern due to record or near record production in most major producing countries around the world over the past 4 years.

A sudden shift in market attitude appeared in mid-January. S. American weather was trending drier than normal in Argentina and wetter than normal in Northern Brazil. Even though the net affect to bean production has been only minimal, large trading funds were holding huge short futures positions in corn,

## MARKET UPDATE continued....

beans and wheat and this change from the worldwide pattern of excellent crop weather was enough to convince them to begin taking profits on these short positions. On report day January 12, 2017, May corn futures had a low of \$3.5375 and May bean futures hit \$9.5575. Since that day, and despite a 4 day drop in beans leading up to the February crop report where USDA raised US bean carryout to 530 million bushels, May corn futures have rallied to a high this past week of \$3.88 and May bean futures have topped out at \$10.825. During this time funds have reversed what was a short position near 1.3 billion bushels into a long of 480 million. In beans they were short nearly 500 million bushels and have now bought enough to hold a long position of 880 million bushels. This buying along with improved export demand has helped push both markets up through steady farmer selling.

The million-dollar question is, “Where do we go from here?”

The damage done to the Argentine crop has been well documented over the past few weeks, so any further deterioration may already be priced in. US farmers are still a few weeks away from making final decisions about corn and bean planting, but the consensus is for bean acres to exceed corn acres for the first time in history. With normal US weather this year it is most likely that US corn carryout will remain somewhere in the 2.2 to 2.4 billion bushel area. US bean carryout could easily grow a little more and challenge the all time high of 576 million bushels. This data would suggest new crop prices are adequate at current levels to insure no major drawdown of US or world ending stocks. Of course, markets tend to factor in a “weather premium” until proven otherwise, so we will most likely see active, choppy trade from now to early July.

Funds are unpredictable and probably hold the wild card currently. They have been in much larger long positions than they now hold. Any additional buying will keep the market supported and possibly move us higher. But, farmers still own a fair percentage of unsold corn from last year and a smaller amount of unsold beans. Those bushels will act as a lid on top of any chances of a run-away market from current levels. We should also keep in mind that beans have been straight up with no real correction since February 6<sup>th</sup>.



<b>Ludlow #100</b>
(217) 396-4111
(217) 396-5671
(217) 396-5555
(217) 379-3176(for calls to Paxton/Loda)
(800) 500-CORN(2676) Toll Free
FAX 217-396-7309
AG TEMPS FAX 217-396-5700(time cards)
<b>Perdueville #300</b>
(217) 379-3714 (PHONE & FAX LINE)
<b>Buckley #400</b>
(217) 394-2331 (217) 394-2332
(800) 500-BIDS(2437) TOLL FREE
(217) 394-2328 FAX LINE
<b>Loda #500</b>
(217) 386-2412 (PHONE & FAX LINE)
<b>DelRey #600</b>
(815) 268-7217
(815) 268-7218 (PHONE & FAX LINE)
<b>Danforth #610</b>
(815) 269-2390
(877) 493-8196 TOLL FREE
(815) 269-2276 (PHONE & FAX LINE)
<b>Lahogue #630</b>
(815) 265-7211 (PHONE & FAX LINE)
<b>Piper City #640</b>
(815) 686-2297
(877) 493-8195 TOLL FREE
(815) 686-2703 FAX LINE
<b>Paxton #900</b>
(217) 379-4366
(217) 379-4367
(800) 8LUDLOW(858-3569) TOLL FREE
(217) 379-3780 FAX LINE

Have the closing bids, market information & company updates emailed to you - email [tjohnson@ludlowcoop.com](mailto:tjohnson@ludlowcoop.com) or [jkprahl@ludlowcoop.com](mailto:jkprahl@ludlowcoop.com) with your name and we will add you!



*The clock's been punched for the last time.  
The daily grind has been left behind!  
No more meetings or pages to fax.  
It's time to kick back and relax.  
You are invited to a retirement open house  
For Dave Arseneau, Sue Link and Steve Wissink  
On Friday, March 23, 2018  
From 4:00 pm - 7:00 pm  
At Engelbrecht Farm  
275 N 1400 E Road  
Paxton, IL*

*Congratulations to Dave, Sue & Steve on their retirement & thank you for your year's of service to the company & patrons of Ludlow Coop!*



## INVEST IN YOUR CO-OP --- BUY DEBENTURES

On November 15, 2017, the Board of Directors of Ludlow Coop authorized the following series of debentures:

Maturity	Interest	\$ Authorized
12/31/18	2.25%	\$20,000
12/31/19	2.50%	\$85,000
12/31/20	2.75%	\$60,000
12/31/21	3.00%	\$170,000
12/31/22	3.25%	\$170,000

Debentures with expiration dates in 2018, 2019, and 2020 are sold out! There are still some debentures left with 2021 and 2022 expiration dates. Call Heidi Brown at the Ludlow office at 217-396-4111 for more information. We thank you for your continued support of Ludlow Coop!

## What makes you different from these victims?

**NOTHING**

**Two teenagers killed in grain bin engulfment**  
An accident, which occurred yesterday left two teenagers dead from a grain bin engulfment. The teenagers were on their way to school when the accident occurred.

**Local resident dies from fall**  
An area man died tragically after falling from a grain bin on Friday morning.

**Local officials: "This tragedy could have been avoided"**

**Owners found negligent in grain bin deaths**  
After an extensive investigation, the property owners where a grain bin engulfment related tragedy occurred were found to be negligent for not providing the necessary safety equipment and proper training for employees.

**Area farmer loses leg in auger accident**  
According to the victim, it only took a few seconds for his life to change forever in a Friday morning accident.

No one is accident proof.

Take precautions when working in a grain bin.

Grain & Feed Association of Illinois

## USDA CROP REPORT DATES FOR 2018

### Monthly Supply & Demand/Crop Production –

**Mar 8<sup>th</sup>, April 10<sup>th</sup>, May 10<sup>th</sup>,  
June 12<sup>th</sup>, July 12<sup>th</sup>, Aug 10<sup>th</sup>,  
Sept 12<sup>th</sup>, Oct 11<sup>th</sup>, Nov 8<sup>th</sup>,  
Dec 11<sup>th</sup>**

### Prospective Planting Report- Mar 29<sup>th</sup>

### Acreage Report- June 29<sup>th</sup>

### Quarterly Grain Stocks- Mar 29<sup>th</sup>, June 29<sup>th</sup>, Sept 28<sup>th</sup>

### Cattle on Feed Reports – Mar 23<sup>rd</sup>, April 20<sup>th</sup>, May 25<sup>th</sup>, June 22<sup>nd</sup>, July 20<sup>th</sup>, Aug 24<sup>th</sup>, Sept 21<sup>st</sup>, Oct 19<sup>th</sup>, Nov 21<sup>st</sup>, Dec 21<sup>st</sup>

### Hogs & Pigs Reports - Mar 29<sup>th</sup>, June 28<sup>th</sup>, Sept 27<sup>th</sup>, Dec 21<sup>st</sup>

## PROJECTS FOR 2018 GENERAL MANAGER, PAUL SEAMAN

### *The Year So Far*

With the weather variations that we experienced last year, we were anticipating that our local crop would be down 15-20% compared to the large crop of 2016. After it was all in the bin, our total harvest receipts were down only 6% from the prior year. I think some of this has to do with today's corn and soybean varieties being able to withstand weather inconsistencies much better than varieties of the past. The corn crop also came in wetter than prior years as we did not see as big of a harvest time dry down that we usually see. This has resulted in an increase in our drying income this year. Storage revenue is up from last year as producers wait for the grain markets to improve the cash bid as they take advantage of the carry in the futures market. With the increase in drying and storage revenue, along with grain margin income holding at decent levels, we hope to see an improvement in net income compared to the prior year.

### *Importance of Income*

Consistent income at better levels than we have seen in the past is a very important goal for your coop. As our facilities continue to age, and the speed and efficiency at which you can harvest grain continues to increase, it will be imperative for us to spend money on improvements to try to keep up with you. We receive over 80% of our grain volume at harvest time. If we can't capture those bushels at that time, those bushels may go elsewhere. Your board of

## CONTINUED...

PROJECTS FOR 2018  
GENERAL MANAGER, PAUL SEAMAN

directors has been committed to improving your facilities. We have spent over \$7 million the last two years building storage and upgrading equipment. The storage that was added at Paxton last summer enables us to store more soybeans without having to ship as many bean trains at harvest. This allows us to capture more carry by selling beans after harvest at a better bid. We need to be able to afford to spend money on asset additions in the years to come to get our facilities in better shape for the future.

### *Planning for the Future*

At our annual board planning meetings, we are continually looking at the long-term viability of each of our grain facilities as we plot a course of improvements and upgrades that will enable us to operate at a level that you require in your operation. We need to have the storage capacity and leg speed at the facilities to be able to dump your grain and be able to hold it for later shipment to the destination. Part of the board and management's challenge is to decide what facilities need upgraded and in what order. These decisions are not taken lightly as much thought and planning is considered so that we try to get it right. Upgrading facilities so that they can handle bigger, faster harvests is what we are challenged with. Improving our grain handling service to you is one of our main priorities.

Thank you for your continued support of Ludlow Coop Elevator as we continue to build your company for the future.



**September  
2017 -**

**Danforth location had 2 steel bins  
south of the scale torn down  
along with the storage house.**

\* If you receive text message bids,  
they can possibly be delayed.  
\* Bids on our website are a 15 minute delay,  
locations screens are live.

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locations screens are live.