



Your enclosed Customer Acknowledgement Statement as of 9/18/19 3:00 pm

New Crop '19 rates WILL NOT go into effect on unsold old crops until after 3:00 pm on 9/30/19

Harvest 2019 CORN BEANS

Storage/Discount & Drying Rates for 2019 Crop



Effective 9/12/19 – Subject to change, due to market conditions, without notice

All discounts are on a load by load basis-NO averaging

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 8/31/20

DELAYED PRICING RATE:

11 cents day of delivery plus \$.001 per bushel per day (3 cents per month) through 8/31/20

SHRINK: ("MO" on Delivery Sheet)

1.4% Each 1% (applied as 0.14% each 1/10% moisture) over 15.0%
15.0% moisture for Contracts, Delayed Pricing, Spot within 7 days of first day of delivery.

14.0% moisture for Open Storage & Warehouse Receipt

DRYING: ("DR" on Delivery Sheet)

Assessed on wet bushels
1.5 cents each 1/2% moisture from 15.1% to 25.0%, then 1.25 cents per half above 25.0%.

CORN MOISTURE FROM:			cents per bushel	CORN MOISTURE TO:			cents per bushel
15.10	to	15.50	1.5	20.10	to	20.50	16.5
15.60	to	16.00	3.0	20.60	to	21.00	18.0
16.10	to	16.50	4.5	21.10	to	21.50	19.5
16.60	to	17.00	6.0	21.60	to	22.00	21.0
17.10	to	17.50	7.5	22.10	to	22.50	22.5
17.60	to	18.00	9.0	22.60	to	23.00	24.0
18.10	to	18.50	10.5	23.10	to	23.50	25.5
18.60	to	19.00	12.0	23.60	to	24.00	27.0
19.10	to	19.50	13.5	24.10	to	24.50	28.5
19.60	to	20.00	15.0	24.60	to	25.00	30.0

Tentatively, drying charges will be deducted from settlements for grain payments through harvest. Approximately, December 10, 2019 drying charges will be invoiced to the patron's account and payment will be due on January 10, 2020.

CORN remaining in Storage as of 9/1/20 will be assessed the new 2020-2021 minimum plus daily storage rate and any applicable carryover charges in effect at that time. Any accumulated and unpaid storage charges as of that date are payable and due by September 25, 2020.

CORN remaining in Delayed Pricing as of 9/1/20 will be assessed the new 2020-2021 minimum plus daily storage rate and any applicable carryover charges in effect at that time. Any accumulated and unpaid storage charges as of that date are payable and due by September 25, 2020.

CORN DISCOUNT SCHEDULE:

All discounts are on a load by load basis- NO averaging

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%

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 rates

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
4 cents each 1% over 7.0%.
Subject to rejection over 7.0%.

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

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%

Storage/Discount Rates for 2019 Crop



Effective 9/12/19 – Subject to change, due to market conditions, without notice

All discounts are on a load by load basis-NO averaging

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 8/31/20

DELAYED PRICING RATE:

11 cents day of delivery plus \$.001 per bushel per day (3 cents per month) through 8/31/20

SHRINK: ("MO" on Delivery Sheet)

Beans are shrunk to 13.0%
1.25% each 1/2 % moisture 13.1% to 15.0%
2.0% each 1/2 % moisture over 15.0%

BEANS remaining in Storage as of 9/1/20 will be assessed the new 2020-2021 minimum plus daily storage rate and any applicable carryover charges in effect at that time. Any accumulated and unpaid storage charges as of that date are payable and due by September 25, 2020.

BEANS remaining in Delayed Pricing as of 9/1/20 will be assessed the new 2020-2021 minimum plus daily storage rate and any applicable carryover charges in effect at that time. Any accumulated and unpaid storage charges as of that date are payable and due by September 25, 2020.

BEAN DISCOUNT SCHEDULE:

All discounts are on a load by load basis-NO averaging

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 rates

FOREIGN MATERIAL: ("FM" on Delivery Sheet)
All foreign material in excess of 1% will be docked from gross weight.

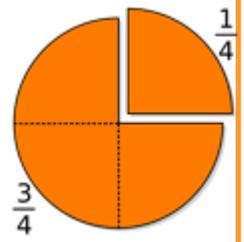
DAMAGE: ("DM" on Delivery Sheet)
2.1 - 3.0 1 1/2 cents
3.1 - 4.0 3 cents
4.1 - 5.0 4 1/2 cents
1 1/2 cents each additional 1/2% over 5.0%

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

DID YOUR FARM I.D.'S CHANGE?

Please make sure your farm ID's (grain splits) are setup with us for this upcoming harvest season....
If not, give us a call and let us know!
This will help avoid wait time at the scales, and ticket errors at harvest. But still be sure to check your ticket once you receive it after weighing it out – does it have the correct farm & grain split on it.



Fiscal Year results for 7-1-18 thru 6-30-19

Grain Bushels	23,105,97
Net Income before taxes:	\$2,161,641
Dividends paid: 8% on 1st Preferred Stock 6% on 2nd Preferred Stock 4% on 3rd Preferred Stock	\$69,593
Equity payback: 1/4 of 2010 Fiscal Year end (6/30/10)	\$192,426
DPAD Pass through (information to be mailed in November and also included in your 1099 for 2019)	\$393,841
Patronage for fiscal year end 6-30-19	No patronage paid



Tips for a Safe Harvest

Harvest season brings hard work and can be an exhausting, but rushing the job to save time can be extremely dangerous (even deadly!) when working near overhead power lines. We urge farm operators and workers to keep the following safety tips in mind:

- Use care when operating large machinery near power lines.
- Inspect the height of equipment to determine clearance.
- Always keep equipment at least 10 feet away (in all directions) from power lines.
- Remember to lower extensions when moving loads.
- If a power line is sagging or looks to be dangerously low, please call us immediately.



General Manager, Paul Seaman

Our fiscal year that ended June 30, 2019 turned out better than where we thought it would be after the harvest was finished. The corn crop for harvest 2018 came in drier than what we have seen in the past. The average corn moisture for harvest 2018 was 15.3% compared to 2017's corn harvest average of 18.6%. This reduction in corn moisture caused a substantial reduction in our drying income for the year. A reduction that is very hard to make up. The combination of our higher storage and merchandising incomes made up for the reduction we saw in drying income. As grain prices declined into spring and summer, farmers became reluctant sellers, storing their bushels longer. This resulted in storage income increasing over prior years' numbers. Our grain margin income was higher last year as sales bushels were above levels that we have seen since 2010. Water issues along the Mississippi river, which halted barge traffic, along with springtime export sales enabled us to get more sales on the books than we originally thought we would have. These additional sales bushels and their margin income, helped increase our net income.

We replaced some worn out equipment at our Piper City location last year. Some overhead fill conveyors were replaced with faster ones that will help move grain at harvest a little faster and we replaced the truck scale with a longer and wider one that will be easier for semi's and tractor and wagons to be able to get on and off.

We have met with the Facility Committee of the Board of Directors to plan our next facility upgrades. All of our facilities are 40 plus years old and we need to make sure that they are upgraded in such a manner that they can last another 30-40 years. Our goal is to generate consistent profits in order to be able to spend the large capital expenditure dollars needed to get our facilities updated to today's standards. As farmers get bigger and faster equipment, our facilities need to be able to keep up. The board and management of Ludlow Coop spend a lot of time studying what facilities we have and what we think we need to have to be relevant into the future, to be able to provide you with the service you require.



- * Please inspect your hopper doors to make sure they are in good working order.
- * After dumping, please double check hopper doors to make sure they are closed.
- * Have trailers/wagons untarped prior to entering on the scale.
- * Be courteous and let empty vehicles weigh out, if you are waiting to weigh full.
- * **BE ALERT** * especially in the pit areas.

Piper City's Sesquicentennial Celebration was held August 2 & 3 Piper City location participated in the parade



Piper City facility office employee, Pam Hoogstraat



Picture provided by Pat Quinlan

63 Years of Service to Local Fire Department

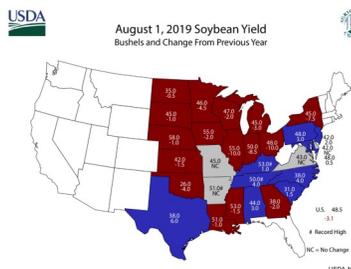
Richard Amsden, Ludlow Coop patron for over 66 years was awarded for his service to the Ludlow Fire Department District after serving 63 years to the community. Richard is also a former Ludlow Coop Board member for over 14 years and served as President of the Board, Vice President and Secretary. We asked Richard when he got on the fire department, "You had to be 21 years old and that is when I joined, in 1956". Richard was an active Fire Fighter from 1956 until 1993, Chief from 1967-1982 and most recently a Trustee for the organization from 1993-2019. We congratulate you and thank you for your service to our community!



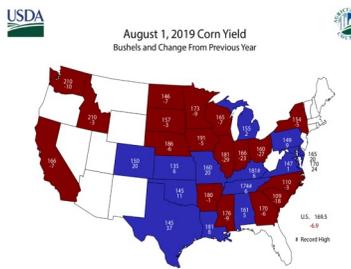
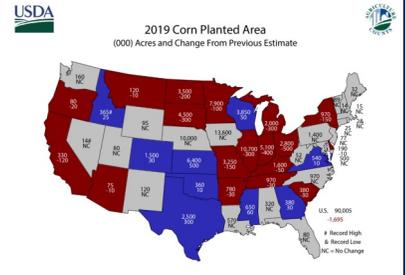
What a difference a year makes! One year ago we were about ready to start another big harvest with record or near record yields across the country. Weather had been favorable the entire year and early planted crops were provided quick dry down for early harvesting. Crop tours, government reports and farmer yield checks all pointed to a very good crop year.

Turn the page to this crop year and we see a completely different picture. Rainy weather starting way back during the winter months began a journey that has led most farmers across the country to battle not only weather, but roller coaster markets, every changing trade deals, new government programs and historic prevent planting issues. Market and crop yield uncertainty has never been higher. On top of that we are dealing with late planted crops that still need perfect weather conditions well into October to finish up to potential.

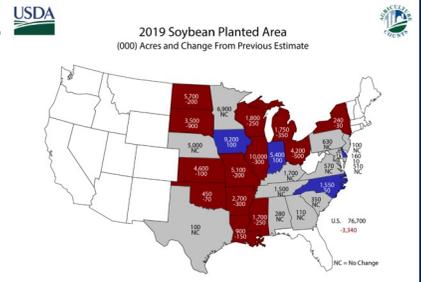
Four maps show state by state changes for corn and beans acreage and yield potential from last season to now. Many traders, farmers and analysts have questioned USDA numbers since early July. Planted acreage is one debate and yield is another. From the maps you can see the effects of the wet spring on the drop in corn and beans acres in Illinois, Indiana, Ohio and South Dakota. An analysis of corn and bean acres from last year to this year shows a 4 million acre discrepancy.



Last year we planted 89.129 million corn acres and 89.196 million bean acres for a total of 178.325 million acres. The August crop report from NASS puts planted corn acres at 90.005 million and planted bean acres at 76.7 million or 166.7 million acres. They also reported that we had prevent plant acres equal to 11.21 million corn and 4.351 million beans. If you add these numbers to the planted corn and beans you arrive at 182.26 million or 3.94 million acres more than we had in 2018. Where did they come from?



They could be acres switched from wheat and other spring crops. They could be from farmers who have not certified acres in past years, but chose to do it this year to make sure they qualified for the 2019 Market Facilitation Program that was calculated using planted acres. And some could have been prevent plant acres from 2018 which would increase the total for that year. Either way, the USDA appears to stand by their numbers.



The remaining part of the puzzle this year involves yield. As of the August report the largest drops in yield show up on the 3 states hit hardest by spring rains and late planting. Illinois is down 29 bushels from last year on corn and down 10 bushels per acre on beans. Indiana is down 23 and 8.5 respectively and Ohio is down 27 and 10. For corn the national average is down only 7 bpa from last year and with the Illinois, Indiana and Ohio drops we also see 4 other major corn acreage states down. (IA -5, MN -7, NE -6, ND -7).

Beans are similar but maybe not so glaring of a discrepancy. The national average is down 3.1 bushels per acre from last year with Minnesota down 4.5 and Iowa down 2. In both cases there are no major crop producing states with yield increases that would offset these large drops.

So, the uncertainty for production carries on until we see the combines in the field, the trucks in line and the bins filling up. It will probably take until January for the industry to quantify totals and USDA to come up with final numbers. By then focus will turn to S. American crops and weather. In the meantime, markets will chop back and forth with each new rumor about trade deals or lack thereof, changes in weather and demand.

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.

MOVING?
 Don't forget this!

GET PAID FASTER → 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.

DIRECT DEPOSIT

Rick Nelson, President of Ludlow Coop Board of Directors

115 years ago our founding fathers organized this company to provide grain storage and other services that farmers needed at the time. There has been a lot of change over the years, and there will be more change in the future. Change is not easy. Change makes us uncomfortable. But change is necessary to be efficient when the world changes around you.

One of the major roles of the Board of Directors is to develop a vision of where the co-op needs to be 5, 10, even 15 years down the road. The facility improvements we invest in today will likely have a life of 20-30 years - maybe more. And today's major improvements cost millions of dollars per location. It is not feasible, nor economically justifiable, to invest major dollars at locations that the changing marketplace will not support in the long run.

Efficient, high capacity, low cost per bushel facilities conditioning and storing large volumes of grain and moving that grain into multiple markets will be the requirement for success in the grain industry in the future. Focusing, prioritizing, and continuing to move our co-op in that direction while maintaining a strong balance sheet with adequate working capital is our objective.

After continued extensive review of location bushel volumes and economics, as well as discussion of local and industry trends, the Board recently took action to phase out operations at DelRey over the next couple of years and directed management to notify the DelRey patrons. Del Rey will operate as usual this year receiving both corn and beans during the 2019 harvest. However, the DelRey location will become seasonal only when this harvest concludes and it will be closed until next fall. It will reopen for the 2020 harvest but will only accept soybeans at that time. There is no drying equipment at DelRey - all wet corn must be hauled out during harvest to another location. Natural gas is not available at DelRey and the current facilities are old and would have to be replaced, making the economics of investing at that location very difficult from a financial standpoint. By only accepting soybeans and reducing outbound trucking, soybean patrons will be better served as the transition period continues.

New storage expansion and operations improvements at Buckley, as well as continued facility enhancements at LaHogue, are the long term plan to efficiently serve the marketplace. DelRey will eventually be closed. The exact timing, however, is not certain today. It is never easy to close a facility, but times change. And local markets, local farmers' operations, and your local co-op will continue to evolve.



Paxton Facility (left to right)
Tara Kottke, James Whitaker, Myron Rust,
Scott Benninger Sr., Mitch Davis



Buckley Facility (left to right)
Rick Gooden, Jeremy Shedd, Lisa Schriefer



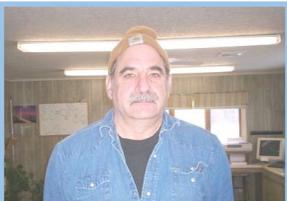
Ludlow Facility (left to right)
Twila Johnson, Allie McKellip, Keith Carson, John
Dziuban, Allen Stow, Operations Manager.
Not pictured-Heidi Brown, Controller



Danforth Facility (left to right)
L'Ree Fetters, Bruce Perzee & Marvin Leveque



Piper City Facility (left to right)
Pam Hoogstraat, Waldo Hayslett, Derek Moore
& Richard Bishop



DelRey Facility
Dale Schumers



**Perdueville
Facility**
Shane Hewerdine



Mission...
To be a progressive farmer-owned cooperative with professional employees providing reliable, safe, and efficient grain handling, marketing, and other services.

Vision...
To be the preferred grain company in the area.

Values...

- Equitable treatment of members
- Preserve member ownership and control
- Operate with honesty and integrity using sound financial policies and practices
- Focus on farmer needs and profit potential
- Train and retain knowledgeable, ethical, and courteous employees
- Operate facilities in a safe and responsible manner
- Support the community



Merchandiser
Scott Jones



General Manager
Paul Seaman



Lahogue Facility (left to right)
Tom Etzel and Mark Dietz



2019-2020 Ludlow Coop Board of Directors

(front row, left to right) Front row:

Roger Gustafson, Vice-President, Rick Nelson, President, Ryan Vance,
Secretary, Greg Niewold, Treasurer.

(back row, left to right) Jeff McGehee, John Ark Jr.,

Richard Peavler, Kenny During, Pat Quinlan

*"Agriculture is the most healthful,
most useful and most noble
employment to man."*

George Washington

**Ludlow Coop Employees
& Board of Directors**