

LUDLOW CO-OP

SUMMER EDITION 2025

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MANAGER'S NOTES by Paul Seaman

Fiscal year 2024 was one of the better years financially for your coop. It produced our third highest net income. Three of our highest net income years have been in the past four years. We are working to consistently string together better financial results as we plan capital expenditure projects to improve the coops' facilities.

Harvest 2024 saw the coop receive the second most bushel volume.

Receipts were 25.1 million bushels compared to the 25.7 million bushel high mark from harvest 2022. When we add Goodwine Coop bushels to past receipts, the past three years' harvest receipts have been more than we have taken in the past. Yields have been improving, and the grain has been coming in faster than before. If we are short space at our locations at harvest, this creates a challenge for us to try and keep the doors open all

day, every day. We are working to remain financially strong so that we can continue to improve your facilities where you need it most. Yields overall were good for our area. The corn did come in dryer than it has in the past. The average corn moisture for harvest was 16.2% for all locations combined. This compares to 18% the prior two years. Farmers have also been aggressive sellers of corn and beans this year, meaning that less bushels are being stored. For the coop, drying and storage income are going to be down more than \$2 million. This reduction will mean that fiscal 2025 will have reduced income compared to the past few years.

We have multiple projects that the board has approved for completion prior to harvest 2025. At Paxton, we are working to replace the last of the original reclaim conveyors under the bins. We are also having the bottom section of the receiving legs rebuilt. Paxton is 45 years old and has had a lot of grain run through the equipment. These improvements will upgrade the original equipment and create a cleaner working environment in the tunnels with less dust and leaks. Something that is long overdue. We will also be building a 1.2 million bushel bin at Paxton this summer. Bean volume during harvest at



MANAGER'S NOTES continued

Paxton has been exceeding our storage capacity. This has required us to sell 2-4 bean trains in order to keep the doors open, along with trying to outguess the timing of those bean trains. This new bin will give us some extra cushion for bean space and reduce or eliminate us having to ship bean trains at harvest.

The board also approved a new bin at our LaHogue facility. This 1.2 million bushel bin will be used for corn. LaHogue has been short on corn space, requiring us to ship bushels at harvest in order to stay open. We will also be working at LaHogue on a conveyor/leg elevation issue that we have been dealing with for some time. This work should allow us to run grain at capacity without having to worry about plugging conveying equipment.

Over the past ten years, including this year, Ludlow Coop has built nine new grain bins with eight million bushels of storage capacity. We have also built three new grain dryers with a combined 24,000 bushels per hour capacity. We are continuing with our practice of building storage at strategic locations, building facilities that can better keep up with the fast

pace and large volumes that today's farmers can deliver at. Speed and space are vital at harvest if we are going to try and keep up.

Ludlow Coop has solar arrays at our Paxton and LaHogue facilities. We recently did a review of what we produced with those solar arrays over a one-year period. We produced 1.7 million kilowatt hours of electricity. That is the amount of electricity to power about 155 homes for one year. If you were to drive an electric car, at four miles per kilowatt hour, you could drive almost seven million miles with the electricity we produced.

Mobile App

The **Ludlow Coop mobile app** is your all-in-one tool for managing your account on the go. With the app, you can:

- View **scale tickets**
- Check **commodity balances**
- Access **settlement information**
- See **current bids**
- **Sign contracts** directly through the app

Getting started is easy:

1. If we don't already have your **cell phone number** on file, please call us to add it to your account.
2. Then, head to your **App Store** or **Google Play Store** and search for

"Ludlow Coop" to download the app.

Stay connected and in control—anytime, anywhere!

Money by Direct Deposit

We have seen more delays and missing mail from the post office than we have in the past. Instead of mailing you a check, we have the availability of sending payments by direct deposit. If you would like to participate in direct deposit or electronically sign purchase contracts, please contact your settlement location to get signed up.

Place an Offer to Sell Grain

If you have a particular price in mind when it comes to selling grain, let us know and we can place an offer to price grain at your specific price if the market gets there. Placing an offer to sell bushels eliminates the chance of missing a rally if you are not able to watch the markets day and night.

Semis to Haul Grain

Ludlow Coop owns ten semis, along with additional hired semis, that we have available to haul grain off the farm. Call the Ludlow office to schedule your farm pickup.



REPORT

by Scott Jones

A tariff is a tax imposed by one country on the goods and services imported from another country to influence the other country, raise revenues, or protect competitive advantages.

The past few months have seen this word plastered in front of us daily. Without getting into the pros and cons of such actions, let us just accept the fact that they are here to stay, and they will have an impact on the movement of agricultural products between producers and consumers around the world. Let us also assume that these tariffs are a moving target; with tariffs, counter-tariffs, delayed implementation, and negotiations also happening at breathtaking speeds. What does this mean for our grain markets? We need to get accustomed to increased volatility and constantly changing market dynamics. But this is nothing new to us. We live in a world where weather, politics, currency changes, pandemics, and changing consumer demand keep grain prices in a constant flux as they try to factor in day-to-day changes for each of these inputs. With this in mind, we will attempt to step back from all this “white noise” and analyze the fundamental and technical aspects of our markets that give us a foundation for anticipated price action: Supply/Demand (these are fundamental market inputs) How much do we have left over from last year? How much will we produce this year? How much will we consume this year? How much will we have left to start the next crop year?

Markets tend to look at this information in two distinct ways.

First, we look at US numbers, then we expand our scope to include the entire world. Supply/Demand estimates are released on a monthly time frame. That allows traders and government forecasters to “fine tune” data as we move through crop years. In most cases we are dealing with two consecutive crop years simultaneously, last year’s crop and the new crop yet to be planted/harvested.

Keep in mind that USDA and other foreign reporting agencies are not the only source of data. Private reporting companies are constantly trying to “outguess” the official data. This is why newly released official data may cause the reverse market action that you would expect. Sometimes it is not the numbers, but what the market expected. Traders get caught out of position when USDA does not agree with the pre-report estimates. It is human nature to talk your position.

Attached you will find Supply/Demand tables for US corn, beans, and wheat. The data begins with the 2009/10 crop year and shows the most recent updates on the right side of the page from the April 2025 updates. I realize there are a lot of numbers to digest. Let me point out some of the most important values. These are the numbers that trade focuses on over time because changes to these numbers have the biggest impact on long-term price changes.

If we start with the Corn data and look down the left-hand side of the page for two rows: “Ending Stocks” and “Stocks/Use.” Ending stocks are a simple math equation, how much did we have to begin the year (Beginning

Stocks), we add “Production” for the current crop year. Then we subtract “Demand” which consists of “Feed/Residual” (what we feed to animals in our country) plus “Food/Seed/Industrial” (human consumption, grain kept for seed, and ethanol, sweeteners, etc.) and lastly “Exports.” This simple math gives us an “Ending Stocks” number for this year, which becomes the “Beginning Stocks” number for the next year.

Now if you were to look across the page you would see a lot of variation from year to year in this “Ending Stocks” number (low of 821 million bushels in 2012/13 and a high of 2.293 billion in 2016/17. But before we start looking for a correlation between Ending Stocks and Average Farm Price, we need to consider one more line, that is “Stocks/Use.” This line calculates how much we have left at the end of a crop year and compares it to how much we used during the entire year.

Example: for the 2009/10 crop year total usage was 13.066 billion bushels. At the end of the crop year, we had ending stocks of 1.708 billion. If we divide 1.708 billion by 13.066 billion, we get 13.1%. In other words, we ended this year with enough on hand to get us 13.1% of the way through the next year (about 1.57 months.) Looking at our carryout this way allows us to compare crop tightness over time even if production and/or usage grow over time. A good way to look at this is if you compare the ending stocks and stocks to usage ratios for the 2013/14 crop year and the 2020/21 year. They have an almost identical carryout volume (1.232 billion versus 1.235 billion,) but the ending stocks ratio is almost 1% lower for 2020/21. Total supply and

Annual Merchandising continued

total usage between the two crop years went up almost 1.4 billion bushels. The difference comes when we are using more in 2020/21 than we did in 2013/14. A carryout of 1.23 billion bushels will not last as long as it did in 2013/14. We have tighter carryout and the market factors that into the price structure.

This is how traders, major world buyers, and exporters make decisions on value over time. The second way traders look at markets for direction is by using technical indicators. There are dozens of technical indicators, I will mention two with which I am most familiar. I have tested these indicators on multiple commodity markets using various time increments and trust the signals

they generate to be accurate a high percentage of the time.

The first indicator is a simple moving average. It consists of two inputs. First, a closing price for the time increment being used. Second, a span of time to be used for the calculation. We will be using the closing price for 50- and 100-day intervals. In the 50-day period, we use the closing price of the past 50 days and do a simple average on these numbers. This creates our first data point, and we plot it on the chart. Tomorrow, we recalculate our 50-day average by dropping the closing price from 51 days ago and adding today's closing price. This will create a new data point slightly above or below the one posted yesterday. (If we are

removing a closing price higher than today, our new average will be slightly lower. If we are removing a closing price lower than today, our new average will be slightly higher.) We repeat this process every day until the futures contract we are following ceases to trade (expiration). The results over time create a moving average line that flows up or down depending on the long-term price movement of the contract we are following. We can apply this simple moving average to daily, weekly, or monthly charts. The same process applies to the 100-day moving average.

We look at these two indicators in a couple of ways. First, we look for times where the daily price action crosses the moving averages. If we

MID-CO COMMODITIES, INC.

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10-Apr-25

Corn

(Million Bushels)	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 Apr-25	Change from last Report	24/25 Apr-25	Change from last Report
SUPPLY:																		
Beg. Stks	1673	1708	1128	989	821	1232	1731	1737	2293	2140	2221	1919	1235	1377	1360	0	1763	0
Production	13092	12447	12360	10755	13829	14216	13602	15148	14609	14340	13620	14111	15018	13651	15341	0	14867	0
TOTAL SUPPLY	14774	14182	13516	11904	14686	15479	15401	16942	16939	16509	15883	16055	16277	15066	16729	0	16655	0
DEMAND:																		
Feed/Residual	5140	4793	4545	4315	5036	5280	5114	5470	5304	5429	5900	5607	5671	5486	5805	0	5750	-25
Food/Seed/Ind	5939	6428	6439	6038	6501	6601	6648	6885	7057	6793	6286	6467	6757	6558	6868	0	6890	0
Ethanol for Fuel	4568	5021	5011	4641	5134	5200	5224	5432	5605	5378	4857	5028	5320	5176	5478	0	5500	0
Exports	1987	1835	1543	730	1917	1867	1901	2294	2438	2066	1777	2747	2472	1662	2292	0	2550	100
TOTAL USAGE	13066	13055	12527	11083	13454	13748	13664	14649	14798	14288	13963	14821	14900	13706	14966	0	15190	75
1 MONTH USAGE =	1089	1088	1044	924	1121	1146	1139	1221	1233	1191	1164	1235	1242	1142	1247	0	1266	6.3
ENDING STOCKS:	1708	1128	989	821	1232	1731	1737	2293	2140	2221	1919	1235	1377	1360	1763	0	1465	-75
STOCKS/USE	13.1%	8.6%	7.9%	7.4%	9.2%	12.6%	12.7%	15.7%	14.5%	15.5%	13.7%	8.3%	9.2%	9.9%	11.8%	0	9.6%	-0.5%
AVG FARM PRICE	\$3.55	\$5.18	\$6.22	\$6.89	\$4.46	\$3.70	\$3.61	\$3.36	\$3.36	\$3.61	\$3.56	\$4.53	\$6.00	\$6.54	\$4.55	0	\$4.35	\$0.00
PLANTED ACRES	86.4	88.2	91.9	97.3	95.4	90.6	88.0	94.0	90.2	88.9	89.7	90.7	92.9	88.2	94.6	0	90.6	0
HARVESTED ACRES	79.5	81.4	84.0	87.4	87.5	83.1	80.8	86.7	82.7	81.3	81.3	82.3	85.0	78.7	86.5	0	82.9	0
U.S. BU PER ACRE	164.7	152.8	147.2	123.1	158.1	171.0	168.4	174.6	176.6	176.4	167.5	171.4	176.7	173.4	177.3	0	179.3	0
GROSS \$ PER ACRE	\$585	\$792	\$916	\$851	\$705	\$633	\$608	\$587	\$593	\$637	\$596	\$776	\$1,060	\$1,134	\$807	0	\$780	\$0

Soybeans

(Million Bushels)	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 Apr-25	Change from last Report	24/25 Apr-25	Change from last Report
SUPPLY:																		
Beg. Stks	138	151	215	169	141	92	191	197	302	438	909	525	257	274	264	0	342	0
Production	3359	3329	3094	3042	3358	3927	3926	4296	4412	4428	3552	4216	4464	4270	4162	0	4366	0
TOTAL SUPPLY	3512	3495	3325	3252	3570	4052	4140	4516	4735	4880	4476	4761	4737	4569	4447	0	4734	5
DEMAND:																		
Crush	1752	1648	1703	1689	1734	1873	1886	1901	2055	2092	2165	2141	2204	2212	2285	-2	2420	10
Exports	1501	1501	1362	1317	1647	1842	1942	2166	2134	1752	1679	2266	2152	1980	1695	0	1825	0
Seed/Residual	108	130	91	105	97	146	115	147	109	127	108	97	107	113	124	1	114	0
TOTAL USAGE	3361	3280	3155	3111	3478	3862	3944	4214	4297	3971	3952	4504	4463	4305	4105	0	4359	10
1 MONTH USAGE =	280	273	263	259	290	322	329	351	358	331	329	375	372	359	342	0	363	1
ENDING STOCKS:	151	215	169	141	92	191	197	302	438	909	525	257	274	264	342	0	375	-5
STOCKS/USE	4.5%	6.6%	5.4%	4.5%	2.6%	4.9%	5.0%	7.2%	10.2%	22.9%	13.3%	5.7%	6.1%	6.1%	8.3%	0	8.6%	-0.1%
AVG FARM PRICE	\$9.59	\$11.30	\$12.50	\$14.40	\$13.00	\$10.10	\$8.95	\$9.47	\$9.33	\$8.48	\$8.57	\$10.80	\$13.30	\$14.20	\$12.40	0	\$9.95	\$0.00
PLANTED ACRES	77.5	77.4	75.0	77.2	76.8	83.3	82.7	83.5	90.2	89.2	76.1	83.4	87.2	87.5	83.6	0	87.1	0
HARVESTED ACRES	76.4	76.6	73.8	76.1	76.3	82.6	81.7	82.7	89.5	87.6	74.9	82.6	86.3	86.2	82.3	0	86.1	0
U.S. BU PER ACRE	44.0	43.5	41.9	40.0	44.0	47.5	48.0	51.9	49.3	50.6	47.4	51.0	51.7	49.6	50.6	0	50.7	0
GROSS \$ PER ACRE	\$422	\$492	\$524	\$576	\$572	\$480	\$430	\$491	\$460	\$429	\$406	\$551	\$688	\$704	\$627	0	\$504	\$0

Source: USDA

close above the moving average line that is positive. If we close below, that is negative.

The second thing we look for is the two moving average lines crossing over each other. That is usually an indication of a major change in price action.

Commodity funds are big players in our markets. They put emphasis on the technical picture to place their buy and sell decisions. They are trying to identify developing trends and get on board and ride the trend until signals tell them the trend may be coming to an end. This is why we see significant moves by the funds when we challenge important support and resistance areas. Breaking below uptrend lines and/or falling through moving average support can cause them to liquidate long positions and even switch to the short side.

Moving above downtrend lines and/or closing above moving average resistance can cause them to reduce short positions and/or go long.

Significant turning points occur when we move through trendlines and moving averages at the same time.

Keep in mind the funds are watching daily, weekly, and monthly charts for their signals.





PRESIDENT'S

MESSAGE

by Pat Quinlan

Let us think back 121 years ago to when this company started. The year was 1904. A group of farmers wanted to develop a better market for their surplus grain. Much of the grain was consumed by livestock on the farm. Soybeans were not even grown then. Oats, wheat, corn, and pasture were the main crops. The farmers also wanted to purchase supplies together to capture a better price. Most towns had more than one elevator and they were the source of information for the area farmers. Combines and tractors didn't exist on the farm. Manual labor was how things got done. The average corn yield in 1904 was nowhere near what it is today. The yield increase for both corn and soybeans over the past 100 years has been incredible. Your Cooperative was nothing like it is today.

Over the past few years, we have worked on a merger bringing two companies together. There have been some challenges, but we have worked through most of them. I feel that our company is in a better position for the future. We still need to develop the right cooperative culture to serve our farmer base. It is harder to plan as the company footprint increases. We must keep everything in repair. Location of any new construction is important. The Board must try and look at the next 100 years. Where will the markets be located? What companies will buy our grain?

We are fortunate to have both corn and soybean processors in the area. Both processors are expanding in size. We were even able to invest in one and we receive annual income from that investment. We also have rail markets. The Board questions if our existing markets will meet our future needs. One thing for certain is that change is always there. We must try and position ourselves for a changing market. We have been trying to build storage in several different locations. Your Board feels that if we can hold grain where it is delivered, we can be more flexible in marketing. We have been trying to keep up with the farmer's fall delivery capacity. We recently built a bin in Bryce and plan to build in Paxton and LaHogue this year. This will allow us to hold more fall delivered grain in the areas where it is delivered. To build these

locations, we need to take resources from the company. Patrons outside these areas see little advantage to this decision. Most would hope that "their" facility was improved instead of their neighbors. It is a challenge for your Board to decide on which areas to build new bins. We try and look at the big picture to develop a long-lasting cooperative. Our goal is to create a viable company so all farmer patrons will benefit in the future.

We hired Pro Exporter to do a study on our facilities. They look at grain production and movement in our area. By using projections and road networks they determine birthright grain available at each facility. They then look at receipts and determine the percentage we received. This is shown over a five-year period. They estimate what effect additional grain price would have on receipts. It was quite interesting to review. It is always hard to balance market share with profitability. We must serve our patrons but try and do it while being profitable. It is hard to compete with processors or large private elevators. We try to treat each patron the same. We need to balance price and service with profitability. But we must also provide the services needed and competitive pricing if we want to exist in the future.

It is interesting to see how the elevator changes with new

technologies. The use of PLC systems and artificial intelligence will change how we monitor and handle grain. We have invested in solar and new technologies to modernize our facilities. We started using RFID readers at the Paxton location. It allowed us to speed up the receiving line. We have replaced leg belts, conveyors, and dryers. Like farming we are still handling grain but trying to get more efficient with new technologies. We hope these improvements will benefit all our patrons.

We have tried over the past years to invest our profits wisely. Most farmers would rather have modern facilities instead of a few cents of patronage. But we must also try and balance our taxes and borrowing. It is better for the cooperative to put a few cents per bushel in the community than to pay taxes and borrow money. With patronage we can keep money in the cooperative and community. Hopefully we are positioning ourselves for the future.

Thank you for your business.

PROTECTING YOUR GRAIN

and personal information is important to Ludlow Co-op!

Cybersecurity is a real threat to everyone that uses digital devices. Cybersecurity refers to any technologies, practices and policies for preventing cyberattacks or mitigating their impact. Cybersecurity aims to protect computer systems, applications, devices, data, financial assets and people against ransomware and other malware, phishing scams, data theft and other cyberthreats.

Some of the most common types of cyberthreats include:

- Malware
- Ransomware
- Phishing
- Credential theft and abuse
- Insider threats
- AI attacks
- Cryptojacking

Here are a few tips to keep you safe:

- Back up your data regularly.
- Enable multi-factor or two-step authentication.
- Check email address domains.

- Use a password manager.
- Hover over URLs before clicking to ensure legitimacy.
- Read the End User License Agreement (EULA).
- Always use a VPN.
- Disable location services and microphone access where not needed.
- Encrypt your data with a VPN.
- Don't save passwords to your browser.
- Avoid using public Wi-Fi.
- Update all your tools, apps, and OS.
- Don't click on unfamiliar attachments and links.
- Don't share personal information with anyone.
- Use cybersecurity products.
- Don't use your personal devices at work.

With that in mind we ask that if you have other parties that are permitted to market grain, sign contracts, pick up payment, or have access to proof of yield/delivery sheets please call or e-mail us with that information.

We will add that information to your account to avoid any delays in getting the information and payments out to authorized parties. Having this information on your account adds another layer of protection of your privacy, grain bushels, and banking information.

We highly recommend that patrons sign up for direct deposit, if possible, as it has become a sometimes-lengthy process to receive mailed checks for many of our patrons. If you would like to enroll in direct deposit, please reach out to your settlement location and they are able to help you get enrolled.

