



GATEWAY NEWS

Employees attend Fleet, Industrial, and Commercial Marketing Seminar

Dale Heller, petroleum salesman and Dan Rieckenberg, petroleum department manager recently attended the Fleet, Industrial, and Commercial Marketing Seminar sponsored by GROWMARK at Peoria, Illinois.

During the two day event, participants heard presentations from GROWMARK and other industry leaders including Afton Chemical Company and Caterpillar. Subjects discussed included development of professional proposals, the effects

of internal injector deposits in diesel engines, and interpretation of oil analysis. The high point of the seminar was a visit to the Caterpillar Training and Demonstration Complex in Edwards, Illinois. There, participants heard from Caterpillar officials as they discussed new engine technology and the importance of fuel quality on new engines.

The Caterpillar Training and Demonstration Complex provides a unique opportunity for Caterpillar customers and service technicians to operate and train on various pieces of Caterpillar equipment. Simulators and an indoor arena allowed attendees the opportunity to try their hand at "operating" some equipment and observe many different pieces of equipment operating in the arena.

The Fleet, Industrial, and Commercial Marketing Seminars are

sponsored each year by GROWMARK and allow participants the opportunity to hear from industry

leaders as they discuss items of importance as it pertains to petroleum marketers like Gateway FS.



Manager's Column

State Grain Audit Gives Gateway FS High Marks

The Illinois Department of Agriculture states, "Any entity engaging in the business of buying grain from producers, delivered to a location in the State of Illinois, is required by 240 ILCS 40 (the Grain Code) to be a licensed grain dealer."

With the licenses for our elevators come strict requirements and regular audits by state examiners. Gateway has a history of passing each audit with high marks. The most recent audit was completed on January 31, 2011.

The process involves auditors being on site for several days or weeks and includes thorough checks of our entire business including:

- Gateway must operate under the speculation limits determined by the Department of Agriculture based on our net worth.

- We must have at all times sufficient financial resources to pay producers on demand for grain purchased from them.

- We must maintain current assets (such as cash, grain receivables, etc.) in an amount equal to at least 90% of the total value of our outstanding price later contract liability.

- We must have a good business reputation, have no involvement in

improper bookkeeping or record keeping or other improper business practices, and have the qualifications and background essential to conduct the business.

- We must keep sufficiently detailed books and records to show compliance with the Grain Code including accurate and current long and short market position records for each grain commodity.

- We must at all times maintain an accurate and current daily position record on a daily basis.

- Gateway's price later contracts must contain provisions prescribed or authorized by the Department of Agriculture.

- We must have adequate property insurance covering grain in our possession or custody and adequate liability, property, theft, hazard, and workers' compensation insurance.

- We must maintain all licensed warehouse facilities in a manner suitable to preserve the quality and quantity of grain stored.

- We must at all times have a sufficient quantity of grain of like kind and quality to meet our outstanding storage obligations.

- We must pay assessments into the Illinois Grain Insurance based

on grain purchases, licensed storage capacity and net worth.

- We must provide financial statements completed by a CPA licensed under Illinois law with an opinion letter.

- We must have an adjusted current ratio of at least one to one.

- We must have an adjusted debt to adjusted equity ratio of not be more than three to one.

- We must meet net worth requirements.

All these plus myriad details on how compliance must be achieved in each area are all checked. If an error is found, the correction must be made and a correction letter submitted to the state. Violations of law result in penalties. Gateway's record includes relatively minor error corrections and no penalties.

Gateway is proud to pass its exams with high marks. All required records are maintained and financial ratios are kept at the highest levels. Customers can feel secure when marketing their grain at Gateway FS.

If you ever have any concerns or questions, please call me anytime. We are your cooperative and are here to serve you.



GATEWAY FS, INC.

MANAGEMENT STAFF:

General Manager.....	Mike Kuhn
Grain Manager.....	Dwight Asselmeier
Assistant Grain Manager.....	David Rohlfing
Crops Dept. Manager.....	Jerry Roosevelt
Petroleum Dept. Manager.....	Dan Rieckenberg
Controller.....	Dennis Ernsting
Operations & Structures Manager.....	Greg Birchler
Credit Manager.....	Craig Yoch

LOCATIONS:

Baldwin.....	785-2650
Evansville - Steven Walter, Manager.....	853-2211
Chalfin Bridge Facility - Ronald Rodenberg, Manager.....	458-6588
Kemper's Landing - Randy Braun, Manager.....	458-6466
Prairie du Rocher - Jim Reinhold, Manager.....	284-7200
Percy - Lester Kothe, Manager.....	497-2135
Red Bud - Jim Reinhold, Manager.....	282-2646
Red Bud Structures.....	282-3454
Red Bud Structures Toll free Number.....	866-551-3454

The menu options are:

For Parts & Service.....	"Press 3"
For Construction & Overhead Door Sales.....	"Press 4"
For Paint Service.....	"Press 5"
For Personal Assistance.....	"Press 6"

The extension numbers are:

Karen.....	"10"
Greg.....	"12"
Brian.....	"15"
Glen.....	"16"
Jarret.....	"18"
Sparta Facility Lester Kothe, Manager.....	443-2181
St. Mary's, MO LP Sales - Eric Moll, Salesman.....	1-573-543-5145
Steeleville - Petroleum - Ron Yesley, Manager.....	965-9435
Tilden - Cathy Pannier Manager.....	587-4009
Warnock NH3 Plant - Kevin Byer.....	281-4396
Waterloo Elevator- Randy Floorke, Manager.....	939-6151
Waterloo Fast Stop - Cheryl Farmer, Manager.....	939-4979
Waterloo Fertilizer Plant - Ronald Rodenberg, Manager.....	939-8237

RED BUD OFFICE.....282-4000

Web site: gatewayfs.com
E-mail: mailus@gatewayfs.com

Gateway FS Shows Commitment to Illinois Ag in the Classroom Programs

Gateway FS, Inc., recently showed its commitment to agriculture literacy programs in two local counties with a presentation of funds to the local Ag in the Classroom programs. The Monroe County program received \$919.00 and the Randolph County program received \$926.00. The funds are a portion of the comprehensive donation to the Illinois Ag in the Classroom program provided through GROWMARK's FS Seed Division.

The FS Seed Division of GROWMARK recently renewed its commitment to Illinois Ag in the Classroom programs with a check for nearly \$59,000. The check was presented to IAA Foundation chairman Philip Nelson at a ceremony held November 18, 2010, in Bloomington.

"Although agriculture is constantly advancing and continues to be an integral part of our lives, today's youth are becoming less and less exposed to it," said Steve Barwick, GROWMARK senior vice president of marketing and operations. "In the past, it was common to have some link to agriculture in every family, either directly or indirectly. Kids today are becoming less conscious of the importance of agriculture and are not making the connection between how it is vital to their everyday lives."

The FS Seed Division has provided annual contributions to the Illinois Ag in the Classroom program since 2003. Gateway FS receives a portion of the total donation for direct grants to fund local programs. This year's contribution

brings the seven-year total to more than \$400,000.

The IAA Foundation was established in 1987 to support educational, research, and charitable activities which benefit agriculture. Illinois farm families, and county Farm Bureaus. Illinois Ag in the Classroom provides agriculture-based curricula for K-8 students and teacher training. The IAA Foundation supports Illinois Ag in the Classroom programs through a variety of annual fundraising and donations such as the one from

FS Seed.

GROWMARK is a regional cooperative providing agriculture-related products and services, as well as grain marketing in 31 states and Ontario, Canada. GROWMARK owns the FS trademark, which is used by affiliated member cooperatives. The FS brand represents knowledgeable, experienced professionals acting with integrity and dedication to serve more than 100,000 customers. More information is available at www.growmark.com



This month's featured employee is Michael Ellis.

He began his career with Gateway FS as an intern during the summer of 2001. In January 2002, he was hired on full time as a crops salesman, a role he has held ever since.

Michael and his wife, Casey, live in the Missouri bottoms with their two sons, Parker and Clay. He and his brother Brian have some farm ground in Missouri, and in his spare time he restores antique tractors. He also enjoys camping and deer hunting.

GRAIN NOTES

By Dwight Asselmeier



The volatility well known to grain market participants was on full display again here in early March. The three grains have each lost close to a dollar off the recent highs without any large scale changes in crop fundamentals. Minor changes in crop production and usage projections, coupled with outside market influences, have sent buyers to the sidelines for the time being.

The middle east unrest has disconnected, for now, grain price movement from energy prices. A certain amount of panic has led logically to higher energy prices as the flow of oil has suffered a few interruptions. The effect that higher energy costs have on the global economy has led many to the conclusion that economic growth will be more muted than earlier believed, lowering future demand growth expectations for other commodities.

The economic impact of the Japanese earthquake and tsunami, while certainly trivial compared

to the unfathomable loss of lives and widespread property destruction, will be far reaching, as well. Obviously they must first focus on search and rescue efforts, but their infrastructure has taken a pretty good hit as they have lost substantial power generating capacity and other production and handling facilities. Our hearts go out to the many thousands directly affected by this powerful catastrophe. The recovery will require much time and effort.

What's become clear again is the fact that it's impossible to say accurately what markets will do tomorrow because we don't know accurately what else will happen tomorrow, either in nature or in human events. We can take positions based on probabilities, we can lock in profits when they're offered, and we can raise our CHANCES for success with good business practices. We just can't safely assume what tomorrow will offer us.



THE PAINT CORNER



By Brian "Boomer" Garleb

Proper steps for painting projects

Spring is finally in the air! The temperature is changing, and the days are getting longer. You look outside with the sun shining and birds singing, thinking what a great day.

As you look though your kitchen window, you see the building. Now that the snow is gone, you see rust, dirt, and faded or peeling paint. What to do?

Never fear, your paint specialist is here to help. I will walk you through all the steps of proper cleaning, priming, and top coating.

First is prep - you know the drill. Power wash or clean your surface the best way you can. This step is

so important because primer and top coat are only as good as the surface you're painting.

If your building is chalking, you will need to use a cleaner like TSP in your water. TSP will break down the chalking and dirt. Another problem is rust. Rust forms from oxidation of moisture and air. Washing with a power washer or wire brushing rusty areas works well. If you have a wooden building or barn, clean the peeling paint.

The next step is priming. Be sure to match your primer to the surface. Metal buildings do best with 6000 zinc dust or 977 soy zinc. You can try 488 latex for metal siding, or 588

oil primer for wood. If you have a wooden structure, 588 oil primer is the best, because it hides stains and keeps knots in the wood from bleeding through. All these products can be sprayed, brushed, or rolled.

After your primer is cured, you are ready to finish with a latex or oil topcoat. I can help you choose the best final coat for your building.

I hope this helps you take on those painting projects yourself, but if working on a project becomes too much, call me. My number is 618.282.3454 or cell 618.972.9516. I would be happy come out and look at the job, and give you a fair estimate.

Agronomy, applying fungicides to corn and soybeans

Although fungicide application in wheat has been a common practice for a while, in recent years more interest is being shown in applying fungicides to corn and soybeans as well. Commodity prices are up, meaning it takes fewer additional bushels per acre to cover the cost of fungicide application and making it a more attractive option to farmers looking in increase yields.

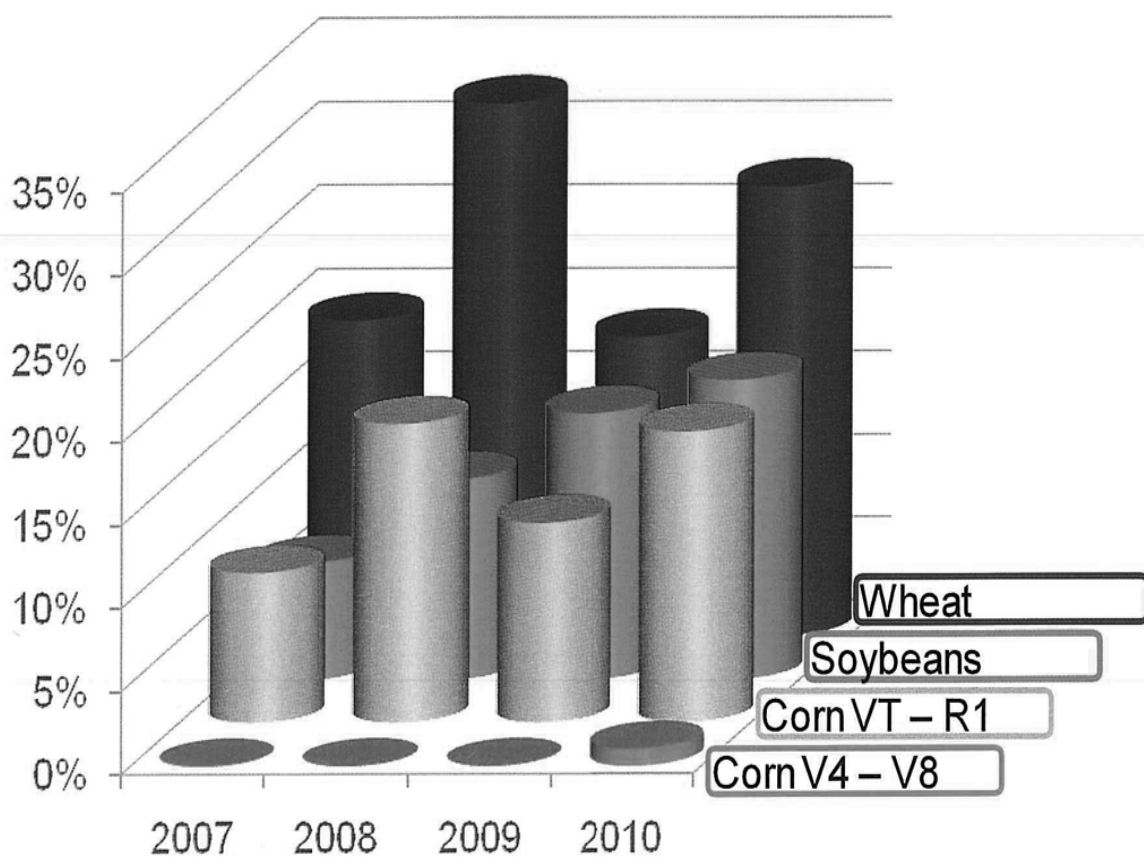
To accommodate the growing interest in late-season fungicide application, Gateway FS has partnered with an aerial service to provide helicopter application of fungicides when ground application is no longer an option.

“We’re taking commitments now to ensure timely application of fungicides when the time is right,” said Jerry Roosevelt, Gateway FS agronomy marketing manager. “Using helicopters takes a little longer and costs a little more than airplanes, but we believe they do a much better job of application. We also need to be sure to order enough product, because I anticipate demand will go up as the season moves ahead.”

If you are interested in booking fungicide application for this growing season, or have questions, call your local crop specialist to discuss all the options.

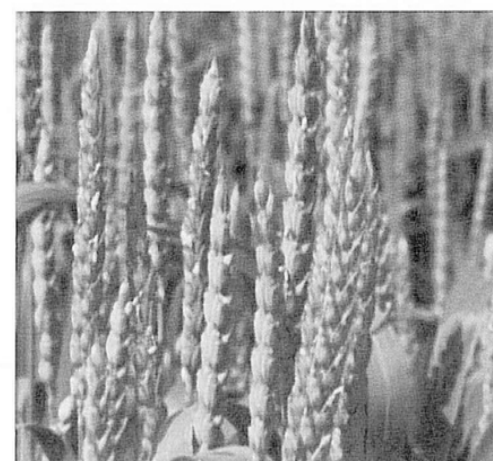
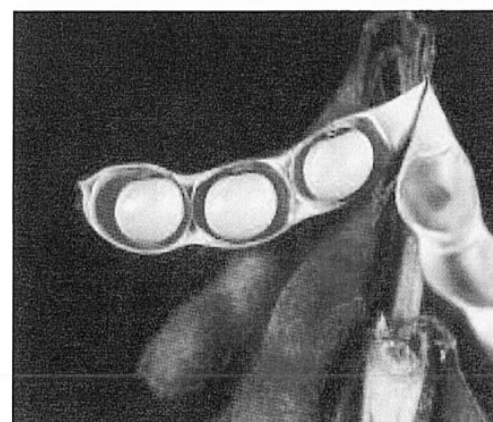
Strong Growth Confirms Fungicide Benefits

Percent of Planted Acres Treated With Fungicides¹



✓ Compounded annual growth rate 2007 to 2010:

- Corn 25%
- Soybeans 37%
- Wheat 12%



¹Source: Syngenta Estimates

Classification: PUBLIC



*seed specifically
recommended for your area.
Now that's Farming Smart.*

There's only one brand of seed out there developed especially for Midwest growers. When you choose FS Seed, you're getting more than just top-of-the-line genetics - you're getting bottom-line results.

Talk to your Gateway FS Crop Specialist about how FS Seed can help you increase your operation's performance and profitability.

GATEWAY FS, INC.

(618) 282-4000

www.gatewayfs.com

Farming smart begins with FS seed.

