



GATEWAY NEWS

Manager's Column

This month's Manager's Column is comprised of excerpts from the 2010 Gateway FS, Inc. Annual Report.

FINANCIAL RESULTS

Results through the fall season were very good. For the first 4 months of the 2010-11 fiscal year ending November 30, net earnings were \$3.0 million. This compares to \$2.8 million for the same time period last year. Net earnings included \$282,000 less patronage refunds received, but \$494,000 more local operating income.

Both grain and fertilizer volumes were higher. Grain increased from 8.9 million to 11.1 million bushels. Fertilizer tonnage more than doubled to over 8,000 tons. Dry grain at harvest led to lower sales of LP Gas but diesel volume remained equal to the prior year. Paint sales and service were up 24% at over \$100,000. Feed sales were down. Sales in the structures were down but with a significant backlog of future work.

The new Fast Stop convenience store in Waterloo continued to grow. Gasoline volume was more than double the previous year while inside sales went up 20%.

The new grain storage facility at Chalfin Bridge was completed in time for harvest and performed perfectly.

2011 UPGRADES

Plans for the 2010-2011 year include additions of lots of new equipment to improve customer service and efficiency. Besides numerous nurse tanks, trucks, sprayers, spreaders and tool bars in the crops department, a new state-of-the-art seed treatment facility will be built at Chalfin Bridge. Plans are also being developed to enclose the grain dump at Evansville including a dust collection system. Upgrades will be done at Kempers Landing with a new leg, belt and dump pit. Petroleum upgrades will include a new LP truck, LP service truck, liquid fuel truck and computerized loading system at the bulk plant. We also have purchased a large conveyor intended to be the core of a much improved fertilizer handling system at the Baldwin river terminal.

STOCK REDEMPTION

The board has approved a special stock redemption to be distributed during February. Approved was redemption of all the outstanding

shares of stock issued during the five years 1976 through 1980. This will return nearly \$900,000 of cash to the cooperative's members. In November \$1.4 million of patronage refunds for 2010 were also distributed to the cooperative's members.

CF FERTILIZER TERMINALS

GROWMARK recently announced its agreement to acquire three fertilizer storage terminals owned by CF Industries including the warehouse at Bussen Terminal in St. Louis, Mo. "This acquisition supports GROWMARK's strategy to grow in and from its core businesses," said Jim Spradlin, GROWMARK vice president, Agronomy. "We have been sourcing fertilizer to enable optimal crop production for more than 80 years. Providing a reliable supply of products when and where our retailer customers need them is essential to our success as a plant food supplier. As we continue to pursue our growth goals, having strategically located supply points is imperative. This opportunity improves our supply and service capabilities, while bringing increased efficiency to our plant food operations."



Employees attend Energy Update meeting

Five Gateway FS employees attended the Southern Region Winter Energy Update Meeting, sponsored by GROWMARK, at the Rend Lake Conference Center on January 18, 2011. Participants received updated information on liquid fuel and lubricant products.

Presenters from GROWMARK and Afton Chemical Company discussed Diesalex Gold, diesel

exhaust fluid, and cold temperature handling of diesel fuel. GROWMARK employees from the Council Bluffs Lubricant Plant spoke about passenger car motor oil and heavy duty diesel engine oil. Used oil analysis data and information obtained during a recent competitive analysis comparing GROWMARK lubricants to competitive products was also discussed.

"Energy products are an important part of our member-owners'

business, and keeping salespeople up-to-date with changes in technology is extremely important," said Dan Rieckenberg, Gateway FS petroleum department manager.

Those attending from Gateway FS were (left to right): Dan Rieckenberg, petroleum department manager; Duane Mueller, petroleum salesman; June Kezely, dispatcher; Marty Ernst, petroleum salesman; and Dale Heller, Energy Management Specialist.



Nathan Koester is this month's featured employee

Koester has worked in the Gateway FS Structures department for 10 years, and currently holds the position of grain systems sales and service representative.

He and his wife, Jodi, live in Coulterville with their two children, Jordan, 11, and Katie, 7. Koester enjoys cooking for family, friends, and events. He is also an avid runner and plans to participate in a half-marathon (13 miles) in April.



Dale Heller, Gateway FS Energy Management Specialist (center), was recognized with the Pacesetter Award at the GROWMARK Southern Region Winter Energy Update meeting at Rend Lake. Heller posted sales of 1,034,427 gallons of liquid fuels over the past year, earning him a bronze level rating. Presenting the award were Mark Dehner, GROWMARK marketing manager, refined & renewable fuels (left), and Tom Drew, GROWMARK lubricant marketing manager (right).

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
 Contoller.....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 Sullivan, 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

Harvest Plot Reports

FS SEED HARVEST REPORT

Plot Management			
Member Co-op	Gateway FS	Year	2010
Cooperator	DON SCHRADER	Crop Specialist	DAVE RIPPELMEYER
City	WATERLOO	Agronomist	KEVIN GUEBERT
County	MONROE		

Planting Information	
Crop Planted	Beans
Previous Crop	CORN
Planting Date	5/26/10
Planting Population	189,000
Row Width	15
Irrigation?	NO
Herbicide Applied	
Insecticide Applied	
Fertilizer Used	N _____ P ₂ O ₅ _____ K ₂ O _____
Comments	

Soil Information	
Texture	pH
Tillage	CEC
P ₁ Test	K Test
Org Matter	SCN?

Harvest Information	
Harvest Date	10/5/10
Drying Charge	
Selling Price	

Harvest Data										
Variety	✓	Harvest Population	Lodging Score	Test Weight	Row Length	Harvested Rows	Harvested Feet	Harv. Weight	Moisture	Yield
FS 37A02				56.8	413	22		942	10.4	62.01
FS 38R80				55.5	412	22		952	10.6	62.68
FS 38A02				55.5	410	22		946	9.8	63.15
FS 39R70				56.5	408	22		970	10.1	64.86
FS 39A02				56.1	408	22		954	10.4	63.57
P 94Y01				56.5	408	22		948	9.8	63.60
FS 42A02				56.2	406	22		896	10.5	59.94
FS 44A02				56.3	404	22		950	10.7	63.72
FS 45T70				55.8	403	22		930	10.5	62.67
FS 45A02				56	402	22		928	10.7	62.55
FS 47A02				55.9	402	22		888	10.9	59.72
FS 47A91				56.4	400	22		990	10.9	66.92
FS 48R70				55.2	399	22		758	12.8	50.27



FS SEED HARVEST REPORT



Plot Management			
Member Co-op	Gateway FS	Year	2010
Cooperator	Scott Limestall	Crop Specialist	Randy Osterhage
City	Waterloo	Agronomist	Kevin Guebert
County	Monroe		

Planting Information	
Crop Planted	Beans
Previous Crop	Corn
Planting Date	5/27/10
Planting Population	185,000
Row Width	15
Irrigation?	No
Herbicide Applied	
Insecticide Applied	
Fertilizer Used	
Comments	

Soil Information	
Texture	Silt Loam
Tillage	No till
P ₁ Test	50
Org Matter	2.3

Harvest Information	
Harvest Date	10/5/10
Drying Charge	
Selling Price	

Harvest Data										
Variety	✓	Harvest Population	Lodging Score	Test Weight	Row Length	Harvested Rows	Harvested Feet	Harv. Weight	Moisture	Yield
NK 42-T4	↔			57.5	505	10		540	10.3	64.03
AG 3830				57.2	505	11		600	10.3	64.68
NK XR3806				57.7	505	11		530	9.9	57.39
FS 39R70				56.7	505	11		620	9.7	67.28
AG 4005				56.7	505	11		710	9.5	77.22
FS 40A02				56.8	505	10		600	10.1	71.31
AG 4130				57.6	505	11		640	9.8	69.38
FS 42A02				56.6	505	11		640	10.3	68.99
FS 4366				56.8	505	11		650	10	70.30
AG 4303				57.2	505	11		650	10.2	70.15
FS 44A02				57.2	505	11		620	10.4	66.76
FS 45A02				57.4	505	11		700	10.3	75.46
FS 45T70				57.6	505	11		690	10.1	74.55
AG 4606				56.9	505	11		680	10.4	73.22
FS 47A02				56.6	505	11		680	12.1	71.83
NK 47-R3				54	505	11		820	17.9	80.91
FS 47A91				57.5	505	11		680	11.5	72.32
NK 48-C9				56	505	11		680	12	71.91
FS 48R70				55	505	11		710	14.7	72.78
NK 42-T4	↔			57.4	505	11		630	10.6	67.69

Plot Management			
Member Co-op	GATEWAY FS	Year	2010
Cooperator	DAVID AND JOSH REINHARDT	Crop Specialist	DALE BURMESTER
City	RED BUD	Agronomist	KEVIN GUEBERT
County	RANDOLPH		

Planting Information	
Crop Planted	BEANS
Previous Crop	BEANS
Planting Date	6/4/10
Planting Population	165,000
Row Width	15
Irrigation?	NO
Herbicide Applied	VALOR XLT
Insecticide Applied	
Fertilizer Used	150 DAP AND 150 POT
Comments	

Soil Information	
Texture	pH
Tillage	CONVENTIONAL
P ₁ Test	58
Org Matter	2.1

Harvest Information	
Harvest Date	10/6/10
Drying Charge	
Selling Price	

Harvest Data										
Variety	✓	Harvest Population	Lodging Score	Test Weight	Row Length	Harvested Rows	Harvested Feet	Harv. Weight	Moisture	Yield
FS 45T70				57.5	463	11		568	10	67.01
AG 3803				57.5	463	11		480	8.9	57.32
FS 37A02				57.2	464	11		538	9.3	63.82
FS 38R80				56.9	464	11		480	9.8	56.63
FS 38A02				57.1	465	11		480	8.9	57.07
FS 39R70				57.3	465	11		464	9.2	54.99
FS 39A02				57.8	465	11		498	9.3	58.95
NKS 39A3				56.5	466	11		516	9.7	60.68
P 94Y01				57.5	466	11		510	8.9	60.51
AG 4130				57.3	466	11		574	9.8	67.43
FS 40A02		56,000		56.9	466	11		510	10.1	59.71
FS 42A02				56.9	466	11		562	9.8	66.02
FS 45T70				57.3	467	11		586	9.8	68.69
FS 4366				57.6	467	11		504	9.6	59.21
FS 44A02				57.7	468	11		532	9.9	62.16
FS 45T70				57.7	468	11		560	9.7	65.58
P 94Y60				58.2	468	11		524	9.1	61.77
FS 45A02				58.5	469	11		550	9.7	64.27
FS 47A02				57.9	469	11		546	9.6	63.87
FS 47A91				58.5	470	11		490	10.4	56.69
FS 48R70				58.4	470	11		572	10.8	65.88
FS 45T70		LAUNCHER PRO		58.2	471	11		532	9.6	61.97
FS 45T70		PRO SURGE		58.3	472	11		540	9.3	62.98
FS 45T70		PX 540 AH		58.1	473	11		534	9.4	62.08
AG 3730				57.8	474	11		458	8.9	53.42
AG 3830				57	474	11		494	9.4	57.30
AG 4303				58	474	11		510	9.4	59.16
AG 4703				58.4	474	11		524	9.5	60.72
AG 4907				57.5	474	11		562	12.6	62.89
S 44D5				58.5	474	11		476	9.5	55.16
S 44K7				58	474	11		498	9.6	57.64
S 48C9				57.9	474	11		510	10.3	58.57
FS 45T70				57.4	474	11		516	9.4	59.86

November winner of the Monthly Slogan Contest

"Practicing safety 24-7 has a domino effect for all generations," was the creative safety slogan that Karen Moeller, Gateway FS Structures Department clerk, submitted to the FS Alert newsletter. She was selected as the winner in the monthly slogan contest last November.

"I came up with the idea during the oil spill in the Gulf, and how it will affect people for generations to come," she said. "A few moments of being careless about safety led to that whole disaster."

It was Moeller's first time submitting a slogan to the contest.



THE PAINT CORNER
By Brian "Boomer" Garleb

The Right Way to Sand

In this month's Paint Corner, we'll discuss something most people dislike - sanding. No matter how much you hate it, you've probably had to sand something at least once in your life.

Some people just paint and think this step isn't necessary. If there's a nib, scratch, or divot in the paint surface, flaked off paint, or drywall that has seen better days, painting over it without sanding will show the imperfection very well.

Sanding ensures good adhesion by creating a smooth surface. Remember, when you sand the dust needs to be removed, or the paint will not stick.

To strip a surface of previous coatings, I recommend starting with 60 - 80 grit abrasive to get back to bare wood. Once you have bare

wood, you can then go to a finer grit of 200 - 400 to smooth the surface.

If existing paint is loose or flaky, you should power wash prior to sanding to remove any heavy paint build-up. After washing, I recommend 100 - 150 grit with a power sander. This will feather the edges well and help the primer and topcoat look uniform.

If you have pre-primed surfaces, scuffing is recommended. Using 180 - 320 grit will help with topcoat adhesion. Use a tack cloth to remove all traces of your sanding - if you're going to the trouble, you don't want to leave any trace of dust that could lead to a paint failure.

If you have questions about sanding, give me a call at 618.972.9516 or email me at bgarleb@gatewayfs.com.

GRAIN NOTES

By Dwight Asselmeier



Not much has changed in the last month or so in the grain trade. The latest USDA report just confirmed what the market already knew - that old crop supplies are historically pretty tight and usage continues to be strong. The South American crop is mostly still developing okay, although there has been some damage to the Argentine crop that is yet to be quantified. Brazil seems to be all right and Argentina has started getting rains to stabilize the crop, if not reverse some earlier damage.

Looking forward, as always, traders agree that the supply cushion is just too small at this point to become complacent about maintaining current consumption levels next year and beyond. With relatively high oil prices, ethanol producers can continue to buy and process corn. Livestock margins are evidently high enough to keep livestock producers from cutting back substan-

tially. Although corn shipments seem to be slowing recently, exports haven't fallen dramatically. China's economy continues to grow, making them a strong market for grains, mostly soybeans so far.

Until something changes, what traders see so far is that prices have not risen to a level that curtails much usage. They are high enough to encourage big production goals, but the weather needs to cooperate to make that aim a reality. At whatever level it takes, the market will get the supply and demand to balance.

Some combination of crop insurance and forward selling offer you the opportunity to assure yourself of profitability, if you so choose. Both risk and opportunity have grown quickly over the last several years, so be sure you understand what your risk is if you decide to forego any of the available risk management tools.

Harvest Plot Reports

FS SEED HARVEST REPORT



Plot Management			
Member Co-op	Gateway FS	Year	2010
Cooperator	Gary Brandt	Crop Specialist	Randy Osterhage
City	CB	Agronomist	Kevin Guebert
County	Monroe	Plot No.	

Planting Information			
Crop Planted	Beans	Texture	Silt Loam
Previous Crop	Corn	Tillage	Conv.
Planting Date	5/27/10	P ₁ Test	60
Planting Population	175,000	Org Matter	2.3
Row Width	15	Harvest Date	10/6/10
Irrigation?	No	Drying Charge	
Herbicide Applied		Selling Price	
Insecticide Applied			
Fertilizer Used			
Comments			

Soil Information			
pH		CEC	
K Test	410	SCN?	None

Harvest Data										
Variety	✓	Harvest Population	Lodging Score	Test Weight	Row Length	Harvested Rows	Harvested Feet	Harv. Weight	Moisture	Yield
FS 45T70	--			55.8	500	11		700	11.8	74.94
FS 37A02			6	54.1	500	11		590	12.7	62.52
AG 3803			7	56.7	500	11		602	11.9	64.38
FS 38R80			7	55.7	500	11		590	12.5	62.66
FS 38A02			5	57	500	11		624	11.5	67.03
FS 39R70			7	55.8	500	11		590	12	63.02
FS 39A02			3	56.3	500	11		600	12.1	64.02
S 39-A3			5	55.1	500	11		580	12.5	61.60
P 94Y01			4	55.5	500	11		618	11.9	66.09
AG 4005			5	56.1	500	11		640	11.6	68.67
FS 40A02		Ditch miss	3	54.9	500	11		500	12.6	53.04
FS 42A02			5	53.4	500	11		540	12.1	57.61
FS 44A02			4	56.5	500	11		578	11.7	61.95
P 94Y60			3	55.3	500	11		530	11.8	56.74
FS 45T70			4	56.8	500	11		606	11.3	65.24
FS 45A02			7	52.7	500	11		640	12.3	68.13
FS 47A02			3	54.7	500	11		598	13.3	62.93
FS 47A91			4	55.4	500	11		570	12.4	60.61
FS 48R70			4	55.9	500	11		552	13	58.29
FS 45T70	--			55.5	500	11		650	11.2	70.06

FS SEED HARVEST REPORT



Plot Management			
Member Co-op	Gateway FS	Year	2010
Cooperator	Tim Wild	Crop Specialist	Randy Osterhage
City	Waterloo	Agronomist	Kevin Guebert
County	Monroe	Plot No.	

Planting Information			
Crop Planted	Beans	Texture	Silt Loam
Previous Crop	Corn	Tillage	No till
Planting Date	5/26/10	P ₁ Test	55
Planting Population	175,000	Org Matter	2.5
Row Width	8	Harvest Date	10/4/10
Irrigation?	No	Drying Charge	
Herbicide Applied		Selling Price	
Insecticide Applied			
Fertilizer Used			
Comments			

Soil Information			
pH		CEC	
K Test	375	SCN?	None

Harvest Data										
Variety	✓	Harvest Population	Lodging Score	Test Weight	Row Length	Harvested Rows	Harvested Feet	Harv. Weight	Moisture	Yield
FS 45T70	--			57	336	22		510	11.8	76.17
AG 3803				57.5	336	22		490	11.2	73.68
FS 38R80				57.5	335	22		480	12	71.74
NK 38-H8				57.9	335	22		480	12.2	71.58
AG 3830				57.8	334	22		500	12.1	74.87
FS 39R70				57.1	334	22		500	11.7	75.21
AG 4005				57.3	333	22		500	11.5	75.61
AG 4130				56.6	333	22		450	12.3	67.43
NK 42-T4				57.3	332	22		460	11.7	69.61
FS 44A02				57	332	22		460	12.5	68.98
AG 4303				57.8	331	22		470	11.9	71.18
FS 45A02				57.7	331	22		460	12.2	69.42
FS 47A02				57.6	330	22		470	12.3	71.07
FS 47A91				57.5	330	22		450	12.3	68.04
NK 48-C9				55.4	329	22		460	13.6	68.73
FS 48R70				57.1	329	22		490	12.9	73.81
FS 45T70	--			57.5	371	22		560	12.2	75.44

Gary Brandt, Gateway FS, Inc. custom applicator, one of four finalist for award

Custom applicators are an often-overlooked, but very important, player on the team of professionals needed to help a farmer succeed. It is up to them to apply crop protection and plant food products on the right fields at the right times to maximize profitability. Five years ago, AGCO, an agricultural equipment manufacturer, launched the Operator of the Year program to recognize these men and women for their hard work and dedication.

In December 2010, Gary Brandt, Gateway FS, Inc., custom applicator, was named one of four national finalists for the award.

"I didn't know that Greg (Birchler, Gateway FS operations manager) had nominated me for the award until I received a phone call telling me I was a finalist," Brandt said.

Applicators compete on years of service, number of acres, and community service. Brandt has 17 years experience and applied more than 30,000 acres last year, a number that has grown steadily since he started in 1993. He serves on the Maeystown, Ill., fire department and is active with the Monroe County 4-H program, volunteering at the fair and participating on the Beef Committee.

As a finalist, Brandt and his wife received an expenses-paid trip to the Agricultural Retailers' Association meeting in Palm Spring, Calif., in early December. There he participated in an interview process with the other three finalists, from Indiana, Kansas, and Minnesota. Mike Pluimer of Ceres Solution in



Templeton, Ind., was named the overall winner, but Brandt said all four finalists were treated like royalty.

"We went to several events during the conference, and I couldn't believe how many people came up to congratulate me and thank me for the work I do," he said. "It was a wonderful experience, and the other finalists and I have become

good friends. We Facebook each other at least once a week."

Although he received national recognition through the program, Brandt is quick to insist that it wasn't just his own personal efforts that got him there.

"It's a team effort, and I couldn't take care of that many acres without help," he said. "Teamwork is what gets the job done."

Agronomy MyWay RTK

Recently established by a group of agriculture industry partners, MyWayRTK LLC is introducing the first independent, open-technology RTK (Real Time Kinematic) network engineered for the specific guidance needs of growers using precision farming technologies in their operations. The network is designed to allow users to access the high-accuracy RTK GPS signal without the requirement of using proprietary precision farming hardware or software.

Unlike other traditional RTK systems, MyWay RTK operates using cellular/Internet access allowing users to access the signal up to 25 miles from a base station. The signal eliminates the need to be located within line of sight of the base station as well as other issues related to weather conditions that can affect networks using different technologies. The technology provides a strong signal that can be used for operations that require sub-inch accuracy.

MyWay RTK's open architecture is designed to work with any equipment that uses industry-standard "GPS" protocols. This is especially beneficial to operators using multiple brands of equipment from different manufacturers or those who work with other service providers or custom operators.

"MyWay RTK was developed by a group of farmers, for farmers. We saw the need to grow an RTK network that empowers farmers and their service providers who want to build out this RTK system at multiple levels," explained Don Bierman, MyWay RTK manager.

"The very reason this service exists is to provide open-access to RTK for all brands of equipment and hardware, as well as provide a dedicated service team that understands agriculture and the needs of growers using precision technology today and in the future."

MyWay RTK is engineered to take full advantage of the recently-deployed GLONASS satellite array, which essentially doubles the number of satellites a customer can access and utilize. This increases accuracy; reduces convergence times, and dramatically reduces potential down times caused by low satellite counts often experienced by customers.

RTK positioning technologies are being rapidly adopted by farmers everywhere to achieve new levels of efficiency and profitability. Documented efficiency gains of from 5 to 10 percent are common in terms of reduced input use and time savings. Adopting more precise planting practices utilizing the latest hardware provides farmers the opportunity to eliminate instances of overplanting, such as at headlands and point rows, and plant exactly the right number of plants each field calls for, maximizing returns, especially as planters continue to get larger each season. This makes it difficult to use more conventional ways of knowing where you are in the field.

Gateway FS, Inc., is proud to add access to MyWay RTK correction as yet another value-added service for our patrons. For more information, contact Jerry Roosevelt or your local Gateway FS crop specialist.



Greg Birchler, Gateway FS, Inc. operations and structures manager, was one of 13 presenters at the "Monroe County Careers: The Real Deal" program sponsored by the Monroe County Community and Economic Development Council's Outreach Committee. Students at Gibault Catholic and Valmeyer High Schools could visit three sessions based on their career interests. Birchler spoke about opportunities in agriculture, specifically at Gateway FS.