Manager's Report

Barge Trip

Early in September of this year, the Lower Kaskaskia Stakeholders (LKSI) sponsored the 14th annual Barge Trip on the Kaskaskia River. Gateway FS is a founding member of LKSI and is a heavily involved in making the annual trip a success. Year after year, many people, from within Gateway FS and externally put in many hours of work to make the annual trip a success. Thanks to all who helped or contributed to the success of the Barge Trip.

This year the theme of the trip was “The Year of the Port” as the Kaskaskia Regional Port District (KRPD) is celebrating 50 years of existence. With the theme in mind, the LKSI barge committee thought it was appropriate to hold the barge trip at the Baldwin KRPD #2 site. The weather was beautiful as we barged up the Kaskaskia river to the KRPD #1 site near New Athens, then turned south back to the starting point. The evening trip concluded with an impressive fireworks show.

Col. Anthony Mitchell from the US Army Corp of Engineers was on board as well as numerous local, state and national political representatives. Over 275 people attended the evening activities.

Gateway FS Fiscal Year End

July 31 marked the end of the fiscal year end for Gateway FS. Our auditors from are in our offices as I write to verify the year end results.

We will finish the year with one of our better years in the history of Gateway FS, fueled by a big grain harvest in the fall of 2014. On the negative side, we wrote down wheat inventory values for damage discounts and vomitoxin discounts greater than discount levels assessed to producers at the scale. After 2 years of poor quality wheat, growers, elevators and end users are ready for 2016 wheat with no discounts.

We expect to pay patronage again this year, the amounts and rates in each business segment will be determined by the Board of Directors at the completion of the audit. Our employees did an excellent job of providing products and services to our customers. I cannot thank them enough for their efforts to make Gateway FS successful.

Growmark Finishes a Good Year

Growmark, a regional cooperative of which Gateway FS is member, reported excellent year end results at their annual meeting in late August. As a Growmark member, they will distribute patronage to Gateway FS in October of this year. We will in turn make those funds available for patronage distribution to our customers for our July 2016 fiscal year end.

E-15 Blender pumps at Waterloo Fast Stop

In mid October we will be installing 2 Ethanol Blender pumps at the Waterloo Fast Stop. The pumps will have the capability to pump E-15, E-20, E-25 and E-85 fuel. E-15 has been approved for all cars 2001 and newer. The E-15 product should be priced slightly less than the standard E-10 blend. I strongly encourage everyone to try the E-15 grade, you won’t be disappointed, you’ll capture the fuel cost savings, it reduces air emissions from the fuel, and you will be helping our local grain farmers. Truly a Win-Win-Win.

Thank You

Thanks to every customer for your support this past year. I’m sure we will have many challenges in the upcoming year. I am hopeful our team at Gateway FS can help with those challenges. Good luck with the reminder of the fall harvest and enjoy this issue of the Gateway News.
Employee of the Month

David Horne started with the Gateway FS, Kemper’s Landing barge loading facility in September 2005. Dave is involved with the day to day operations of weighing trucks, grading grain, settling grain purchases, etc. Dave and his wife live in Prairie Du Rocher. He has 2 grown children and twin grandsons. David’s enjoyment outside of the office is being involved in the Historical Reenactment at Fort Du Chartres, otherwise known as the Rendezvous.

Last Minute Harvest Preps

Fall is here. This is the time of year when you may notice several vehicles with out of state license plates driving through your area asking for paint work. These painters always give the best deals due to “excess” paint from a job down the road along with discounted labor. These are the people I call “Fly by night painters”. When encountering a painter like this, there are several things to seriously take into consideration. First, they carry minimal insurance coverage or no coverage at all. What this means is that if they get hurt on your property, you very well may be responsible.

Second, surface preparation is minimal or most of the time, not prepped at all. Most of the time they might sweep off the leaves or dirt, but they usually just spray right over the top of whatever is there. The paint is asphalt aluminum with diesel fuel or gas mixed together. They will add an Aluminum coating in with these mixers to give you a shine until it rains. Once you notice an issue with the paint, they are long gone with no warranty on their work. One of the tricks they use is that they just have enough material for your job. The painter will immediately start cutting the price. The longer you tell them no, the lower they will go. When you get a paint job done cheap it will not last and it usually looks pretty bad. The finish wears off quickly and you will actually spend more money over time by having it prepped and repainted properly.

Now at your Gateway FS Paint Department, I give an honest proposal. I will wash your building to make it clean from dirt, oil, loose paint, and surface rust. Then, I will prime your building with a rust inhibitor to protect the building from corroding any further. Finally, we will use a very good topcoat product in either aluminum, white, or any color that you wish. These important steps give you, the customer, a good warranty.

As an added bonus, Gateway FS Paint is fully bonded and insured. Gateway FS Paint can handle your inside work as well. We offer up to a 10% discount off of your labor if you choose us. We have all the tools to do the job and a color computer that will give you the color you need. If you’re looking for the right job, color or company to do a great job, just give us a call at 618.282.3454 or email bgarleb@gatewayfs.com.
Harvest is here!

Good yields have been reported so far throughout the countryside. Gateway FS reminds everyone to be safe. Good luck this Fall!

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Safety first because you’re number one.

Your safety, well being, and friendship are important to us, and priceless to you and your family. Observing National Farm Safety and Health Week.
Grain Remarks

By Adam Parker

As the 2015 fall harvest progresses, the grain market continues to monitor yield reports out of the field. Thus far, throughout most of the Midwest, corn yields have been at or above expectations. The overall corn crop this year should be a good size but just how good? General consensus thus far has been where it hasn’t been drowned out, yields are good, but as a whole, it’s been “average”.

In their August Supply & Demand report, the USDA shocked everyone with their 168.8 bushel nationwide corn yield and 46.9 bushel bean estimates. These projections sent prices tumbling along with eyebrows rising. To put these numbers into perspective, last year’s corn yield was 171.0 and beans were at 47.8. The USDA is essentially estimating a yield drop on corn of only 2.2 bushels from last year’s record corn crop which was scrutinized by many within the industry. Regardless of the many questions with the USDA’s numbers, corn prices fell to the lows set from last year while beans made new lows.

September’s USDA report, however, took a step in the right direction towards getting estimates back to what many feel is reality. The USDA adjusted their corn yield estimate down to 167.5 while making no major changes on the demand side which dropped 2015/16 ending stocks to 1,592 billion bushels which was below traders estimates. Soybean yield, on the other hand, was increased to 47.1 thus creating a larger than expected carryout of 450 million bushels. Many feel this bean carryout number can be taken with a grain of salt as the USDA historically overstates carryout in September’s report by an average of 99 million bushels.

As for harvested acreage estimates, the USDA pegged corn at 81.1 million acres while beans came in at 83.5. On 9/16, the FSA come out with their prevented plantings numbers which showed 2.352 million acres of corn and 2.219 million acres of beans enrolled which were both higher than the previous months estimates.

As for wheat, the market appears to be bottoming out from the early September lows and would assume that we will see less planted acres come this fall which could further push prices higher. There has been some feed wheat demand in recent days, thus we hope to start buying wheat again post-harvest in November.

Outside of grain fundamentals, the market continues to monitor China’s economy situation and their valuation of their currency. Any time there is concerns with China, the soybean market takes notice. The US Dollar has been over inflated against other currencies which has negatively impacted our exports because of our higher priced grain in the global market...

In summary, there is a lot of speculation on what the crop size will be, what the market outlook is, etc. but it may not be until January before the dust settles on overall production numbers. Until then, expect a lot of nerves and “knee jerk” reactions as yield numbers roll in.

As always, feel free to call Dave Rohlfing, Michael Biestman, Phil Saale, or myself at the Red Bud office @ 618-282-4000 with any pricing offers or for any market information you may be looking for. We appreciate your business, and look forward to serving you in the future!

Steven A. Kiefer has accepted the position of Building, Construction & Garage Door Systems Sales Representative – FS Construction Services

It’s the best kept secret at FS.

Gateway FS
Craig Yoch
Gateway FS, Inc.
(618) 282-4000
FS – Bringing you what’s next.


FS Construction Services can help make sure your garage choice is the perfect fit. For something you use every day, why wouldn’t you want it to be the best?