

# Apache Farmers Cooperative

## Update

### Your AFC:

- Apache  
210 West Floyd  
PO Box 332 73006  
580-588-3351  
580-588-9277 (f)  
[apachecoop@pldi.net](mailto:apachecoop@pldi.net)

- NAPA  
123 Coblake  
580-588-3110  
Cole Hix  
(m) 580-704-6637



- AFC Fuel  
580-588-3346  
Charley Love  
(m) 580-704-6643



- Co-op Tire Shop  
580-588-3346  
Nathan Thiessen  
(m) 580-704-6641



- Co-op Propane  
Anadarko  
1402 E Central Blvd  
405-247-3600  
800-730-7924  
[anacoop@sbcglobal.net](mailto:anacoop@sbcglobal.net)  
Apache 580-588-3300  
Carnegie 580-654-1322  
Neil Leighton 580-704-6647  
Jerry Cormier 580-704-5715



- Chickasha Country Store  
3310 West Hwy 62  
405-224-5810  
[rcannon@pldi.net](mailto:rcannon@pldi.net)

- Elgin  
707 G Avenue  
580-492-4832  
[elginmanager@pldi.net](mailto:elginmanager@pldi.net)

- Fort Cobb  
203 Ponjo  
405-643-2177  
[fortcobbmanager@pldi.net](mailto:fortcobbmanager@pldi.net)

[apachecoop.com](http://apachecoop.com)

## Risk Management Workshop for Producers

### WINNING THE GAME



“Risk” has always been a part of farming, but the business of agriculture continues to change and challenge producers. Today, it’s a whole new ball game – new rules, new stakes and, most of all, new risks.

To help farmers and ranchers learn to put together a winning game plan for marketing their crops, the Apache Farmers Cooperative, full-service agricultural co-op in Apache is sponsoring a two hour workshop titled, **Winning the Game**. The workshop will be held **8:00 am on February 15 at the Apache Community Building. It will also be held at the Chickasha Country Store in Chickasha the same day at noon.** **Breakfast at Apache and lunch at Chickasha will be served.**

The **Winning the Game** workshop takes a hands-on approach to developing and testing various grain marketing strategies and plans. The program includes an interactive “gaming” tool, developed by the University of Minnesota’s Center for Farm Financial Management, which allows workshop attendees to make “real life” crop marketing decisions and compare their results with other participants. The overall program is designed to guide producers through understanding seasonal commodity price trends and the use of crop revenue coverage (CRC) insurance as a marketing tool. Workshop attendees will leave with their own, personalized marketing plan to use for the 2006 crop year.

**Winning the Game** will be led by experts from Country Hedging, Inc. ([www.countryhedging.com](http://www.countryhedging.com)) a full service brokerage and risk management firm. The workshop is made possible through the Apache Farmers Cooperative with assistance from the Risk Management Agency (RMA).

The workshop is free to area producers, but pre-registration is required. To register, or for more information, call the Apache Farmers Cooperative at 580-588-3351 or the Chickasha Country Store at 405-224-5810.

**Other Mobile Customer Service Numbers** Check out the other mobile cell numbers on the left. Call!

Dennis Crow, Sales/Service 580-704-3277  
Harold Head (Service and Repair) 580-704-6638  
Jeremy Glass, CCA (Agronomy) 580-704-6634  
Rick McNeill (Bulk Feed Delivery) 580-704-6645

## A Message from Dennis Crow

Hello,

It is certainly good to be back home. I started here at the Apache Farmers Co-op the first of December. My main goal here at the co-op is to provide you, the grower, with competitive prices and the best service possible. I will be working the front counter along with and in addition to Kevin, Deborah and Jeremy. If you have any problems do not hesitate to give one of us a call. We will do our very best to answer your questions or assist you in any way. Let me say that I am very excited to be here at the Apache Co-op. It is an 86 year tradition and it's because of you, the producer, that the doors are still open. So let me say thank for the business that you have done in the past and we are looking forward to serve you more in the future.

There is a new chemical on the market for established alfalfa. It is called AlfaMax. I think that it is going to be a good chemical for us because it will control broad leaf weeds and grasses at the same time. I have put some prices together for the chemical and have included some dry fertilizer prices for you to begin thinking about some of the ways to manage your hay crop. If you have any questions Kevin, Deborah, Jeremy and I will be glad to answer them. Thank you.

Dennis Crow  
Sales/Service Specialist  
(m) 580-704-3277

### **Market Outlook - Herd Expansion and Price Pressure**

Cattle feeders, stocker operators, backgrounders and cow-calf producers should all experience slimmer operating margins during 2006 due to larger available beef supplies. Market cow and breeding cattle prices are expected to be mostly steady during 2006. However, conditions could change if the Southern Plains drought persists. That's a summation of the market perspective Cattle-Fax provided at the 2006 Cattle industry Convention last week.

More specifically, 1 million or so more steers and heifers are expected to be harvested in 2006, pushing net beef production up by about 1 billion lbs. Besides more cattle, cheap corn and heavier carcass weights have a way of doing that. According to Cattle-Fax, average carcass weights have been increasing 5.9 lbs./year over time. The increase was right at 10 lbs. last year.

At the same time, Mike Miller, Cattle-Fax director of research, points out wholesale beef prices are up 6-7%, while both wholesale pork and poultry prices are down 15-20% and 20-35%, respectively. In other words, beef supply and the supply of competing meats are becoming the primary drivers once again, rather than demand. "Beef demand has increased dramatically in the past several years," Miller says. "But, that doesn't mean U.S. consumers are eating more of it; they're paying more for it." Net beef supplies have remained fairly flat, while consumers have been willing to pay a higher price. In fact, on a retail-price basis, he says demand declined 1-2% last year.

That doesn't mean demand is poor -- it's still 25% higher than 2002 -- but such heady increases in demand growth can't rationally be expected over the next several years. It also means consumer expenditures for beef will likely decline, meaning retail beef prices should be flat or a touch softer through the expansion phase of the cattle cycle.

Consequently, Randy Blach, Cattle-Fax CEO, says, "I can't overemphasize the need to get our beef export markets back and get them back quickly." If domestic consumption remains flat for the remainder of the decade, while the domestic population grows, Blach says the market can absorb another 1 billion lbs. of beef. It's the other 2 billion lbs. of beef production expected by 2010 that must be moved outside the country if market strength is to be maintained. "If we don't get those markets back by then it would be like losing 10% of our demand," Blach says.

In terms of prices, Cattle-Fax predicts fed cattle will average \$85-\$87 in 2006 -- mid \$90's at the spring highs and upper \$70's for summer lows. He looks for feeder cattle to average \$106-\$108, which is \$2 to \$4 lower than last year -- from \$105 at the spring low to \$115+ during the seasonal high points. Calf prices are projected to trade in a range of \$115- \$135 during the year and average about \$125.

As these numbers suggest, record price volatility is expected to continue this year. "It doesn't mean we're going to have a train wreck, but we're past the best of the news in the cattle cycle," Blach says.