

A Partner in your Rural and Urban Ranch Family



**F**ARMERS  
**CA**SSOCIATION  
COOPERATIVE

1206 S Douglas Highway  
Gillette, Wyoming 82716  
Phone 307-682-4468  
800-508-4468  
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Locally owned, locally operated, and locally controlled.

[www.fcagillette.com](http://www.fcagillette.com)

August 2010

## From the Manager's Desk— Daryl Meyer

### Happy New Year!

This may sound funny making this wish this time of the year, but for FCA, we start a new fiscal year every June. In July, we have an audit performed on the accounting records of the company and then each November, those profits are returned to members in the form of patronage refunds. So the old year is closed out, the audit is completed and we are now in a new year.

The past year was a difficult one. With cattle numbers coming back very slow from the drought years, and the methane industry in a slump, sales volume for FCA took a drop. Expenses were reduced in an attempt to meet the sales volume drop, and the results were good, but not as good as the last several years. Your cooperative was profitable this last year, and the actual results will be reported to members at the annual meeting scheduled for November 6, 2010, at Boss Lodge. Mark your calendars to attend the meeting.

Despite the drop in sales volume and lower profitability, facilities and equipment have been updated as needed. The remodeling at the elevator and warehouse location on First Street is completed and if you have not seen it, stop by and use their excellent service.

In addition, the parking lot at the South Douglas Store and Station is being refinished and it will be a great improvement when it is complete. We apologize for the inconvenience during the work.

### Member Equity

This is also an important time for the Farmers Cooperative Association members. The Board of Directors of FCA has been working for several years planning and preparing for the day they could revolve equity to the current members. The Board has traditionally paid all estates as they are requested, but that does not give some of the value of cooperative membership to members in their lifetimes. Two years ago, FCA started paying out the equity in full to members as they reached the age of 85. In August this year, FCA paid out 25% of the deferred equity of members over the age of 70. If you are over 70 and did not get a check, contact our office to make sure we have your birth date.

The checks sent out this month represent a 25% payment of member equity to members over the age of 70. The \$10 share of stock is not part of this payment so each member will remain a member and will continue to enjoy all the benefits of membership.

The Board also set a minimum revolvment amount of \$100. This means that any member with total equity of \$400 or less will receive a check for the higher of \$100 or their total deferred equity balance. The \$10 share of stock for these members also remains in equity and each of them will continue to receive all the benefits of membership they have always received.

This payment of equity is a payout of the retained part of patronage earned in past years. Each member pays taxes on patronage earnings in the year they were earned, so this payment of ownership equity in FCA is returned to members without tax liability. It will not be reported to the IRS.

The ability to return equity to the members is the result of the financial success of your cooperative. In addition to upgrading the facilities and equipment, the Board would like to continue to return equity to the members as the financial ability allows. The cash flow has been good enough this year to make this payment possible, and future payments will be considered as the cash flow allows and FCA bankers approve.

## Petroleum Department- Paul Dudley

Many of our customers often question the way fuel prices change. I found this article at the E.I.A. website, and feel this will help answer some questions.

### Factors Affecting Gasoline Prices- Basics

The single biggest factor in the price of gasoline is the cost of crude oil from which it is made. In recent years, the world's appetite for gasoline and diesel fuel grew so quickly that suppliers of these fuels had a difficult time keeping up with demand. This demand growth is a key reason why prices of both crude oil and gasoline reached record levels in mid-2008. By the fall of 2008, crude oil prices began to fall due to the weakening economy and collapse of global petroleum demand, which had pushed oil prices to record levels earlier in the year. These factors helped gasoline prices drop below \$2 per gallons of regular gasoline in late 2009 and early 2009, the lowest in years.

There are three main grades of gasoline, based on octane levels: regular, midgrade and premium. The octane level of a fuel refers to its resistance to combustion; a fuel with a higher octane level

will be less prone to pre-ignition and detonation., which is also known as engine knocking. Premium gasoline is the most expensive; the price difference between grades is typically about \$.10 per gallon.

### What are the Main Components of the Retail Price of Gasoline?

The cost to produce, transport, and sell gasoline to consumers includes:

- 1) The cost of crude oil.
- 2) Refining costs and profits
- 3) Distribution and marketing costs and profits.
- 4) Taxes

#### 2000 to 2009 average retail price \$2.09

12% Distribution and Marketing  
15% Refining costs and profits  
22% Federal and State Taxes  
51% Crude Oil

#### 2009 average retail price \$2.34

10% Distribution and Marketing  
11% Refining costs and profits  
18% Federal and State Taxes  
61% Crude Oil

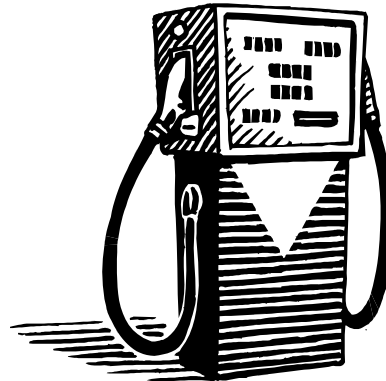
Retail pump prices reflect these costs, as well as profits (and sometimes losses) of refiners, marketers, distributors, and retail station owners.

On August 7, 2009, crude oil futures closed at \$70.97 per barrel, and on August 13, 2010, crude oil futures closed at \$75.86 per barrel. This past summer (June-July) we have seen crude prices rise from \$71.00 to \$83.00 per barrel caused by the dollar falling in a similar proportion. With 61% of the retail price of fuel based on crude prices, you can see how the price changes with all the other costs unchanged.

I sincerely hope this information helps you understand gasoline and diesel fuel pricing. If you still have questions, please call me at 307-682-4468 and I will try to answer your questions.

Farmers Cooperative Association would like to say **THANK YOU** for all your support and business.

If you are not using our products and services **PLEASE** give us a chance to show you the excellent service we provide and allow us the opportunity to earn your business!!



**General Office/Controller - Debra Dawkins**

**NEW AND EXCITING SERVICE FOR FCA MEMBERS!!**

The accounting staff is excited to offer our customers online access to their accounts!

We now have the ability to email both individual tickets and monthly statements to those clients who would prefer to go electronic. While we realize not everyone is comfortable with this type of service, we believe that "going green" is efficient for the

FCA by reducing handling and mailing costs, which in turn allows us to increase operating income which is passed on to our members.

By providing internet access you can see who is charging to your account daily by viewing signed tickets.

These are available on-line within seconds of the transaction being completed. Those of you who have our local gas cards and use our 1206 S Douglas Highway facility will be able to view those tickets after 7:00 pm when our pump system automatically

uploads to our accounting program. For those of you using pumps at our 3406 Hackathorn location (off of 14-16 North), those transactions will be available the following day, Monday through Friday after 9:00AM, as this site only uploads upon request.

We have been testing the system with selected accounts for about a month and we are pleased with the results. We hope we can convince you, our valued customers, to "go green" by giving us a call at 307-682-4468 or 1-800-508-4468 or emailing us at [goffice@fcagillette.com](mailto:goffice@fcagillette.com)

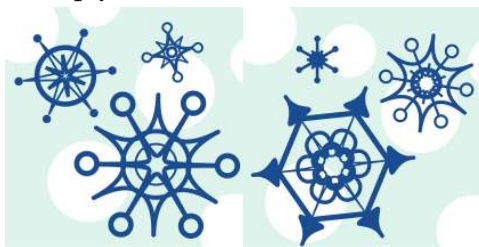
**FCA Country Store— Jim Oswalt**

Fall is quickly approaching and the FCA Country Store is ready with your fall and winter needs.

After filling up at the station, come in and check out our selection of Pizza, Sandwiches and now **Hot Biscuits and Gravy** in the mornings. Also you will find a new selection of Arizona teas along with updated selections from other beverage vendors. We want to ensure that we are carrying the right product mix for our customers and not waste space on items that will not move for us. If you have any suggestions concerning our product offerings, please let our staff know, and we will do our best to supply it for you.

Preparing for the winter season we have all the supplies you'll need. This year we will continue to carry the Eagle bio-fuel Wood Pellets. We had excellent feedback last year on this product and hope that you too will find it to be a great product for your pellet stoves. Make sure to purchase your supply of ice melt early, we already have some on hand and will be getting more by October 1st. We will be ready when the temperatures drop and the snow flies, so if you are not ready when it happens, we will help you! In addition we have snow shovels, sand bags, ice scrapers, anti-freeze, anti-gel products and outerwear to keep you warm.

The employees of the FCA Country Store appreciate your continued support and patronage. We hope that you have been in to see the great things happening here. If you haven't been in for a while, we invite you to use the following coupon on your next visit. We appreciate your business and hope to see you all in store soon.





**10% OFF**

**YOUR ENTIRE PURCHASE.**

Excludes feed, gas & diesel, oil, and vaccines. Not valid with any other promotion. Must present coupon to receive discount.

Good through 10/16/10

## Grain and Feed Elevator- Vic Richards

Wheat harvest season is in full swing and the staff at the FCA Elevator on 1st St. have been staying busy handling wheat for the area farmers. The price has rebounded a little due to the drought in Russia, and the possibility of the US exporting wheat, we are showing a record wheat crop in the US this year.

At our 1st St location we have started pricing and booking bulk livestock feed for the upcoming winter months, so now is the time to contact us at the elevator at 307-682-4772, our sales associate Andy Swenson at 307-660-1517, or Todd Olson with CHS at 307-752-6199. Andy and Todd will also be in the country calling on customers. We have the capability of supplying you with a variety of feeds to meet any situation including cattle cake in both bagged and bulk,

Smartlic tubs and QLF liquid feed. We can deliver straight to you from our suppliers or we can deliver from our location in our 8 ton or 15 ton bulk trucks.

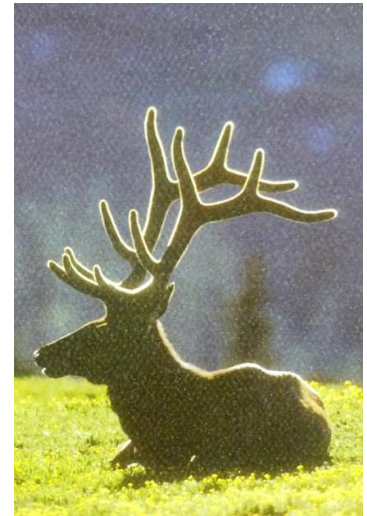
Also, it is time to start thinking about your calf creep needs. We have calf creep feeders available to rent and can deliver both medicated and non-medicated creep feed at quantities up to 150 tons at a time.

As usual we have a great selection of fencing supplies, including wood and steel t-posts, barbed wire, woven wire, welded wire and a variety of corral panels and gates.

The staff at the Elevator would like to thank everyone for giving us a chance to serve your needs, we hope to see you soon!



**NOW AVAILABLE...**



**granite  
SEED**

The FCA Elevator has recently become a dealer for Granite Seed Company. We can supply seed for any situation, from grass and alfalfa seed to a variety of seed grains. If you are interested in learning more, please call us at 1-307-682-4772 or visit us at 207 East 1st Street.

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