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Summer 2012

Farm animal welfare not always focus of HSUS

In the agricultural industry we are very proud of the fact that we supply food to the world. We have worked hard to produce food that the world's population can not only afford, but is safe and healthy for us to eat.

Over the years, our meat, dairy and egg producers have consistently found ways to keep their animals healthy and safe from predators. They have done so by housing them in very controlled environments in which the animals are kept warm in the winter and cool in the summer.

Animals do have a pecking order. Give them too much space or put too many in that space and the bully among them will kill the weakest. They don't want to share their food, and some of them even eat their young.

Fortunately, farm producers are very protective of their animals so they provide a space that is just right to

Cliff's Notes

By Cliff Meeuwssen

prevent those issues from happening. They also feed the animals a diet that provides for the best health possible, and they make sure they receive their medication when the animals need it. It's the same thing you would do for your kids, right?

After all, it is in the farm producers' best interest to keep their animals alive and healthy. If you think about it, some animals eat better than we do. They eat their vegetables (soy and corn protein), while some people eat too much of what tastes good. Remember the dessert you had last night?

Some believe meat, dairy and egg protein is not good for us. They think we should eat only vegetables. Imagine dinner all over the world with only vegetables on the menu. There would be no balanced diet, meaning no beef, no chicken, no eggs and no ice cream. Whoa! Say it isn't so.

Imagine the conversion to only vegetable production. How much water it would take. How many people it would take. How expensive it would be.

What's worse is there are areas that just don't have the climate for that much production. Imagine an extended drought. You can't store vegetables for a long time and we could run out. I wonder who would starve first.

There is an organization out there working under the guise of animal rights and under a name many assume is about saving mistreated pets. Its name is the Humane Society of the United States (HSUS).

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Contributed by Valley View Pork Farms

Pork producers are just one segment of the ag industry to be targeted by the Humane Society of the United States, resulting in several states banning gestation stalls.

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Tradition

Establishing tradition is wrapped into everything we at NCP do. From selling wet cake, buying corn, and providing freight services, the employees of NCP strive to provide superior customer service and quality products that will endure for generations to come.

Processing Plant Update

By Eric Meeuwsen

The nice weather has allowed us to get some projects started here at NCP, which should help customer service.

The plant has run exceptionally well the past four months. We have completed our spring outage, and a lot of projects were finished, including several plant optimizations that should help with run times and overall efficiencies.

Work has begun on a new 720,000-bushel storage bin. The bin will be ready prior to harvest, which will allow us to better serve our customers. We are also in the process of revamping the wet cake pad to allow more storage and improve customer service.

As summer progresses, we will continue to finish up projects and get ready for another harvest season. We hope the weather cooperates and gives the growers a good growing season and a plentiful harvest.

Keith Brooks, Shannon Caudill, Dan Meeuwsen and Johnny Urling continue to work on corn origination, wet cake merchandising, ethanol sales and transportation of our products.

We have been backhauling some corn on our belt trucks and that has added to the efficiencies of the operation. That will allow us to move more freight and look for other areas to service our customers and potentially expand in the future.



NCP photo

The foundation for a 720,000-bushel storage bin at Nebraska Corn Processing has been laid adjacent to a similar bin built in 2011. The new bin will be online before the fall harvest.

Cliff: HSUS changing the way we manage livestock

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This group is not to be confused with your local humane society. The mission of the HSUS is really very little about saving pets.

It is about deceiving people into giving them money to pay its employees and fund its missions. Less than one percent of the money HSUS receives goes to local animal shelters.

HSUS uses its funds mainly for compensation of staff, hedge funds and a lobbying effort that seeks to

change the way farmers raise livestock. It has succeeded in getting rules and regulations passed that do little to reduce the animal mortality rate on farms, but make it more expensive to raise livestock, which pushes the cost of our food supply higher. With that in mind, HSUS is trying to drive the cost of animal products up so people will eat only vegetables.

HSUS' television commercials are as deceptive as its name, but don't be fooled. If you want to help the pet population, give your money directly to

your local humane society.

Don't pay twice. Help the pets and help keep the cost of food affordable for all of us.



The NCP Agrisource is published quarterly by NCP for customers and employees of NCP.

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All questions or suggestions for future articles should be directed to NCP's marketing department.



www.nebraskacornprocesssing.com

Corn Update

By Keith Brooks

If the numbers are right, it looks like we are going to have a huge crop this year. With the announcement of close to 96 million acres being planted and the potential of raising 14.8 billion bushels, prices for new crop have come down significantly.

Planting progress is way ahead of years past and it looks as though we should see some early corn. Basis on new crop for the area is running around -35Z now, but if harvest comes early and fast, you might see basis slip as it did a couple years ago because we will have a ton of corn coming out of the fields with nowhere to put it.

With the slip in new crop corn on the board, producers are reluctant to sell. Who can blame them? With the increased costs, there isn't much money to be made at \$4.70 per bushel. However, rarely do we have a year when there isn't some type of a weather problem somewhere.

With any luck, we will get another chance to price harvest bushels. If we do catch a rally, try not to get overly ambitious and look away from a pricing opportunity. Know where you need to be in order to make money and have your orders in and working. That way you won't miss an opportunity to secure a profit.

When looking to price new crop try not to get distracted by what you have sold corn for the last few years. I know it is

frustrating to go from selling corn around \$6.50 to looking at \$5.00, but you need to be able to look past that. If this coming year's crop is as big as projected, \$6.50 is going to be a thing of the past for awhile as stock will dramatically increase in the U.S.

With a big crop, the good news is that we should see decent carries and your bins should be able to make you some money this year. Also, remember that it is still early. We have a long way to go to make it to harvest and there is still potential to see rallies in the board. Try to take advantage of rallies by using target orders to sell during spikes in the market.

The size of the 2012 crop and the early planting progress is also going to raise some concerns for old crop corn. If you are still holding onto old crop bushels, be careful not to wait too long. Yes, we are short on corn, and yes basis has firmed a lot, but look what it has cost to wait on that basis improvement. Since March, the July board has fallen about 70 cents. If those bushels weren't hedged then, yes, you have gained about 25 cents on the basis. But after losing 70 cents on the board, you are still down 45 cents.

As I write this, there is a 74 cent inverse between the July and September boards. With the early planting and what looks like an early harvest, odds are the closer we get to new crop, the more old crop price is going to come down to meet new crop. If we get a rally to boost old crop prices,

take advantage of that and get those bushels sold before we forget about old crop. Again, utilize target orders to catch those rallies in case they are short lived.

If you are still working on basis contracts, look at the possibility of rolling those contracts forward to September before that inverse collapses. I know things look bleak now, but stay aware of what is going on. With a little bit of luck another opportunity will come.

As always we want to thank all of you for the support you have given us. As we move forward, we are doing our best to better serve our customers. We look forward to doing business with all of you in the years to come.

If you have any questions or concerns, please feel free to call my office at (308) 697-3954 or my cell phone at (308) 340-1208. Our posted bids can be found at www.nebraskacornprocessing.com, but we always encourage you to call and see what our bids are as our needs change from day to day.

We will be at a number of county fairs throughout the summer and would love to see all of you there. Thank you again for your support, and please have a safe summer.

Contact

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Corn Merchandising

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Market Sensitive Reports

June 12
USDA Crop Production

July 4
CBOT closed

July 11
USDA Crop Production

August 10
USDA Crop Production

Thank you for giving Nebraska Corn Processing, LLC™
the opportunity to serve you!

If you have any questions, comments or suggestions
as to how we could better serve you, never hesitate
to call or e-mail us.

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Wet Cake Update

By Shannon Caudill

Summer weather is here and as usual cattle are being shipped, causing prices of wet distillers grain to trend a little lower versus corn.

Hopefully, rain keeps coming to the area to help all of the crops grow, including the grass that many cows are on now. If the

rains don't come many of the cattle will end up back in the feed lots, which could cause demand for wet distillers grains to increase.

We are contracting wet distillers grains for next year, and as corn prices have come down so has the price of distillers grains

for next season.

Please call us if you are interested in covering your forward supply needs.

Contact

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