

# THE NCP Agrisource

Nebraska Corn Processing, LLC™

Spring 2012

## Cliff's Notes

By **Cliff Meeuwsen**

### Much of Europe's financial woes can be traced to Socialism

Spring? As I write this I'm thinking, "Winter has to come first right?"

We must be living right to have enjoyed such mild weather. And the Europeans who are suffering through a very cold winter, well I don't know how they are living. It looks like they are just cold and broke.

If you look at the history, Europeans were, for a long time, the richest, most advanced people in the world. So how did some of them wind up broke and so messed up? In its early years, Europe consisted of kingdoms ruled by kings and nobles, and their people basically lived in free enterprise systems. Those systems rewarded hard work, not the lazy. They rewarded people who produced the goods and services others valued and were willing to purchase.

Even most of the kings, and in later years the governments, had the common sense

to protect their people as best they could, while keeping tax rates reasonable and their hands off the system under which people worked.

So what happened to them, and why are so many countries in Europe in financial trouble? Well, if you look closely at many of the countries that are struggling or going broke, there is one thing they share in common: Socialism.

Socialism seems to come about when people do such a good job of creating wealth that their governments find ways to redistribute that wealth, hoping to either provide for those who did not earn that wealth or to facilitate some social cause valued by some, but not all.

That works okay for a while because it is usually intended to help the sick and suffering, or just a good cause. As time goes by, the programs expand and the people who run those programs gain power. Soon, they end up helping the lazy and the few at the expense of the many.

This brings us to why that system will always lead to dishevelment and bankruptcy.

It happens when people get the idea they don't have to work because the government – i.e. the working people who pay into the system – will take care of them.

The folks who work and pay in then get the idea that it does no good to work because somebody else is going to get what they work for.

Well, that is the beginning of the end for any nation. Let me give you an example of how it works.

An economics professor at a local college made the statement that he had never failed a single student, but recently had failed an entire class.

That class had insisted that socialism worked because no one would be poor and no one would be rich. It was a great equalizer. The professor then said, "Okay, we'll conduct an experiment on socialism in this class." He told the students that all grades would be averaged and every student would receive the same grade, so no one would fail and no one would receive an A – substituting grades for dollars, something closer to home and more readily understood by all.

After the first test, the grades were averaged and everyone got a B. The students who had studied very hard were upset, but the students who studied little were happy. By the time the second test rolled around, the students who studied little had studied even less, and the students

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# Service

*Service is at the heart of everything we at NCP do. The employees of NCP strive to provide superior customer service and quality products that enhance the profitability of our customers.*

## Processing Plant Update

**By Eric Meeuwsen**

The weather has been good this winter. On my frequent trips to Michigan, it's amazing to see there is no snow, nor much snow pack, on the ground along I-80 compared to other years.

NCP has enjoyed some solid run times, as several of the plant improvements we've made are really paying off. The focus of the plant is now turned to spring shutdown, which will be April 29 through May 4. For the shutdown, we are working on a lot of projects that will smooth out several areas and help make the plant a little more efficient.

Going into the summer, NCP will be adding another 720,000-bushel storage bin to better serve our customers. We are also making progress on plans to improve the wet cake pad and loadout area. In an attempt to design something that



will be long-lasting, it has taken some time to get it all planned out.

Keith, Shannon, Dan and Johnny 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, which has increased the efficiency of the operation.

We have received two new belt trucks, which brings the NCP fleet to four trucks capable of hauling wet cake, corn and anything else that goes on a belt truck. The trucks will help us move more freight and look for areas in which we can improve customer service in the future. If you have hauling needs that require a belt truck, please give Johnny a call at (308) 697-3956. With our light-weight trucks, we can legally haul two to four more tons than most other trucks, so it can be an advantage to you in the freight cost area.

As the spring planting season approaches, please be careful as you do field work. We wish you all a safe and happy planting season.

## Cliff: Socialism failed in Europe and would fail here, too

*Continued from Page 1*

who had studied hard decided they wanted a free ride, so they also studied little. The second test average was a D, and no one was happy. When the third test came around, the average was an F.

As the semester wore on, the scores never increased. The bickering, blame and name-calling resulted in hard feelings and no one studied for the benefit of anyone else.

To the students' great surprise, all of

them failed the class. The professor then told them socialism would also ultimately fail, because when the reward is great, the effort to succeed is great. The results are jobs and opportunities for all.

But when the government taxes and regulates away the rewards, it diminishes the number of people willing to create jobs and risk money.

My questions then become: Did you ever get a job from a poor person? And, if we are all poor, who is going to pay the federal government's tax bill?

The college students failed their big test. The people of the United States have a bigger test coming in November. How will we do?



*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](http://www.nebraskacornprocesssing.com)

# Corn Update

By Keith Brooks

It is always tough to figure out how to start one of these articles in the spring because there are so many variables that will determine what is going to happen in the markets. I guess the first thing to do is thank all of our loyal customers and our diligent staff.

Although recent margins have been tight in the ethanol industry and a number of plants have opted to slow down or shut down until those margins improve, NCP continues to grow. That can be attributed to a good staff that has been trained well in making sure we are efficient, and the main key to our success has been the continued support of our customers. As a result, we will be building another 720,000-bushel storage bin this summer to help us better serve you in the future. With this, plans have also begun for us to build a fuel station that will offer the option to use more blends of ethanol and biodiesel. All of these plans would not be possible without the support of our customers, our staff and the community in which we reside.

Looking at the corn markets, there are a number of factors to be considered this year. Old crop corn is still well above \$6 per bushel, which is a good price, but most everyone would like to have more. Now that we have made it through a couple of crop reports and the price has held, it looks as though the only way a producer can go wrong is to do nothing. For the last couple of months, we have seen a lot of sideways

trading in the range of about \$6.15 to \$6.40 cash.

The carryout is still tight and there has been a lot of speculation about South American crops, which could possibly lead to some higher prices this summer. Exports have picked up a bit and increased demand, which has provided some strength in corn. You could see some upward price movement in the months to come, but those moves may be fast and short lived. But be aware, this is not a guarantee of higher prices. There are so many factors that influence the markets, prices could go either direction. Have your orders in and try to take advantage of the spikes in the market. New crop corn is close to a dollar lower than old crop.

There's been a lot of talk about the possibility of 95 million acres of corn in 2012. If we get close to a trend yield, this will significantly rebuild our stock and force the price of corn down. Think back to 2008 when corn was around \$7 a bushel and in a matter of weeks we were around \$3.50. Keep in mind, though, the trend yield is conditional on rainfall. At some point, if there is an indication we are going to be too far under a trend yield, it will curtail next year's inventory and may lead to rationing, while at the same time rapidly advancing new crop prices for 2012. Know where you need to be in order to make money and, once again, have your orders in and working. A profit is still a profit, and if it looks

like rain it won't do any good to wait until after the weatherman confirms it.

When making your plans for 2012, keep in mind that we have a new Delayed Pricing program here at NCP. It is 5 cents a month, with the first two months being prorated. It's similar to an open store program with a few minor differences. We can only do a limited amount of bushels in this program, and it will be available on a first-come, first-served basis in order to provide everyone an equal opportunity to use it. If you have questions, please call and I will be happy to go over them with you.

In closing, I would like to remind all of you that you can sign up to receive our Daily Bids email at [www.nebraskacornprocesssing.com](http://www.nebraskacornprocesssing.com). On the website, you will also be able to find news and information about the plant. I always encourage producers to call to check on bids, as our needs here at the plant change daily. Based on our planning, we may have a stronger bid than what is posted on the website. I can be reached in the office at (308) 697-3954 or on my cell at (308) 340-1208. Also, if you have concerns or suggestions, please feel free to contact us and let us know how we might better serve you. NCP exists because of our customers, and we would like to thank you again for your continued support.

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Corn Merchandising

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## Market Sensitive Reports

March 30  
USDA Perspective Planting

April 6  
CBOT closed

April 10  
USDA Crop Production

May 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

Spring is upon us and feed demand usually begins to subside this time of year, along with prices of wet distillers grains.

The market this year appears as if it might stay relatively firm due to supply from plants being slowed down. It has already been re-

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Wet Cake Merchandising

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ported that the plant in Sutherland is shut down and many others in the industry are

cutting the grind due to low ethanol demand and very poor margins.

We have supply available for the summer months and on a spot basis. If you have a need, please give us a call.

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