

AG-LAND FS, INC

www.aglandfs.com

INSIGHT

October, 2018

Volume 15, Issue 4

FROM THE MANAGER'S DESK

Floyd Heller

For our fiscal year ended July 31, 2018, Ag-Land FS recorded net income of \$2.6 million on sales of \$192.8 million. It was an improvement of \$5.2 million from last year.

Since we are a cooperative it will also be a successful year for our farmer-owners as the Board of Directors declared a \$550,000 patronage refund. The Company will be paying patronage this year in the following categories:

| | |
|-------------------|------------------------|
| Dieselex Dyed | \$0.05 per gallon |
| Dieselex Clear | \$0.01 per gallon |
| LP Gas | \$0.03 per gallon |
| Seed Corn | \$4.00 per bag |
| Seed Beans | \$0.75 per bag |
| Liquid Nitrogen | \$1.00 per ton |
| Anhydrous Ammonia | \$3.00 per ton |
| Urea | \$1.40 per ton |
| DAP | \$1.50 per ton |
| Potash | \$1.50 per ton |
| Ag Chemicals | 0.75% per \$ purchased |

The distribution of the patronage will be made as 50% cash and 50% stock. This allows us to give something back to our patrons while also maintaining an adequate working capital position at year end.

In addition to the patronage declared by the Board, the Company will be passing unused Domestic Production Activities Deduction back to all member customers. The total amount to be passed back will be approximately \$4.3 million - \$3.3 million to supplies customers and \$800,000 to grain customers. Watch your mail here in October for the letter that informs you of your amount and be sure to share it with your tax professional. The net effect of the DPAD pass-through should be patronage that is tax-free.

October is National Cooperative Month and it is a good time to be a member of an agricultural cooperative. Thank you for supporting your local cooperative and please be careful this fall season.