



# GATEWAY NEWS

October / November 2023

## Manager's Report



**By Carl Tebbe**

Welcome to the Gateway News. Fall harvest is in various stages throughout the area. After a dry summer with spotty, sporadic rains, we are seeing yields with tremendous variability. The variability is not only from township to township, but within the same 80 acre field in many cases. Overall yields are 20-30 bushels below APH yields for most farmers.

### Low River Levels

The Mississippi River is at negative 2 feet at the St Louis measuring station for the US Army Corp of Engineers. When the river level is at a negative number, barge loadings are reduced. Lower bushels per barge and reduced travel time with low water creates higher barge freight rates, which reduces the pay price for farmers at elevators. Last year we experienced the highest barge freight rates ever at 2700-2800. This year, it is early and we are already seeing 1700-2000 barge freight rates. Normal rates at this time of year 600-800. Someplace or multi locations need considerable rain to alleviate the low water issues.

### Gateway FS Fiscal Year End

July 31 marked the end of the fiscal year end for Gateway FS. Our auditors are in our offices as I write to verify the year end results.

We will finish the year with very good income levels, but down slightly from last

year's record year. Pending the final numbers from the accountants, net income is at 91% of last year. All of our business segments performed very well again this year, with the exception of grain. Our grain business segment battled the extremely high barge freights at harvest, coupled with extremely high DP rates.

We expect to pay patronage again this year, the amounts and rates in each business segment will be determined by the Board of Directors at the completion of the audit. Patronage information will be mailed to each customer in the first 2 weeks of November

The Gateway FS Board has approved paying the 2023 patronage as 75% cash and 25% stock. In addition to the patronage, the Board will review prior year stock redemptions. Currently Gateway FS is on a 10 year evolvment cycle for redeeming prior year issued patronage stock.

Once again our employees did an excellent job of providing products and services to our customers. I cannot thank them enough for their efforts to make Gateway FS successful.

### Growmark Finishes a Good Year

Growmark, a regional cooperative of which Gateway FS is member, reported good year end results at their annual meeting in late August. As a Growmark member, they will distribute patronage to Gateway FS in October of this year. We will in turn make those funds available for patronage distribution to our customers for our July 2024 fiscal year end.

### Waterloo UAN Tank

We stated filling the 1.5 million gallon UAN tank in late September. The 100,000 gallon ATZ tank will receive the first loads in early October. The interior tanks



Pictured is the Waterloo UAN tank and loading building.

received an epoxy coating to protect the steel from the liquid fertilizers. The exterior of the tanks are being sandblasted and painted as I write. The load out shed is complete and is ready for 24/7 loadings. The computerized loading and billing system can load product at 400+ gallons per minute.

This first season we will limit the product availability to 4 products: UAN 32%, UAN 28% and ATZ added to each mix. In the future, we will have the capability add up to 8 additional micronutrients to the blends. Call your local Gateway FS location or Crops Specialist for more details.

### Gateway FS Grain App

As we enter harvest, if you haven't done so already, download our grain app from your smart phone app store. Once in the app store, simply search for Gateway FS and the app will pop up ready for download. The app will allow you to see scale tickets from your phone, view grain contracts and many other functions 24/7. Call Phil, Michael or Adam in the grain area for assistance 618-282-4000.

### Thank You

Thanks to every customer for your support this past year. I'm sure both Gateway FS and our customers will have many challenges in the up-

coming year. I am hopeful our team at Gateway FS can help with those challenges. Good luck with the reminder of the fall harvest and enjoy this issue of the Gateway News.



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# GATEWAY FS, INC.

## MANAGEMENT STAFF:

General Manager..... Carl Tebbe  
 Contoller..... Brian Perez  
 Operations & Structures Manager..... Greg Birchler  
 Credit Manager/AgriFinance Specialist..... Craig Yoch  
 Agronomy Dept. Manager..... Ryan Gonzalez  
 Energy Marketing Manager..... Brad Maschhoff  
 Feed Department Manager..... Jack Davis  
 Grain Department Manager..... Adam Parker

## LOCATIONS:

Baldwin - Keith Hamilton, Manager.....785-2200  
 Evansville - Nick Morietta, Manager.....853-2211  
 Chalfin Bridge Facility - Derek Hoffmann, Manager.....458-6588  
 Kemper's Landing - Nick Maddox, Manager.....458-6466  
 Prairie du Rocher - Dylan Bievenue, Manager.....284-7200  
 Percy - Shane Moen, Manager.....497-2135  
 Red Bud Elevator - Connie Muench, Manager.....282-2646  
 Red Bud Structures - Greg Birchler, Manager.....282-3454  
 Paint Service - Brian Garleb.....282-3454  
 Nashville Elevator - Peter Pannier, Manager.....327-8218  
 Nashville Warehouse - Eric Block, Manager.....327-8816  
 Oakdale Elevator - Craig Ratermann, Manager.....329-5311  
 Venedy Elevator - Alex Eade, Manager.....824-6358  
 Breese Warehouse - Tim Richter, Manager.....526-4539  
 Ferrin Elevator - Kent Hemker, Manager.....226-3275  
 Woodlawn Warehouse - Jim Michael, Manager.....735-2010  
 Waltonville Elevator - Ken Shubert, Manager.....279-7251  
 Belle Rive Warehouse - Craig Simmons, Manager.....756-2482  
 St. Mary's, MO LP Sales - Dave Baker, Salesman...618-612-7394  
 Warnock NH3 Plant - Tim Keller, Manager.....281-4396  
 Waterloo Elevator - Berry Keller, Manager.....939-6151  
 Waterloo Fertilizer Plant - Tim Keller, Manager.....939-8237  
 McBride Facility - Mark Roth, Manager.....573-547-2561  
 Ste. Genevieve Facility - Jake Gettinger, Manager...573-883-3552  
**RED BUD OFFICE.....282-4000**  
**NASHVILLE OFFICE.....327-3046**

# Grain Remarks

By Adam Parker

Grain markets have been holding a sideways trade pattern as fresh information has been limited and traders wait to get a better handle on yield reports coming out of the fields. The recent USDA reports suggest that the yields may be smaller this year but the lower demand for U.S. grain may offset the smaller crop size.

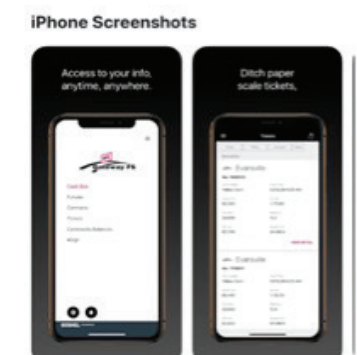
On September 12th the USDA released their monthly supply & demand report but it didn't provide much to warrant a big move either direction. The average US corn yield is now estimated at 173.8 bushels per acre compared to 175.1 from last month. While this was down, total crop size increased 20 million bu to 15.13 billion bu due to increased harvested acres. The USDA revised their harvested acreage estimate on corn to 87.1 million from 86.32 million in previous outlooks. New crop demand was unchanged but with changes on elevated production it put 2023/24 ending stocks at 2.22 billion

bushels.

The average US soybean yield was lowered from 50.9 bpa last month to 50.1 this month. This lowered the US soybean crop from 4.2 billion bushels to 4.146. The reduction would have been larger if not for harvested acres increasing 100,000 to 82.8 million. This put 2023/24 ending stocks at 220 million bushels, down 25 mbu from August, but well above the average trade estimate.

Looking ahead, while the focus is currently on the U.S. harvest, the grain market's attention will eventually turn back to the southern hemisphere when South America begins to start planting their crop. Any adverse weather could make the market rally late this fall/early winter.

Stay up to date with your grain account information as well as the markets by downloading the Gateway FS app! You can also check out our weekly grain market webcasts by visiting [www.gatewayfs.com](http://www.gatewayfs.com). Feel free to call Michael Biethman, Phil Saale, or myself at the Red



Bud office @ 618-282-4000 with any pricing offers or for any market information you may be looking for. We appreciate your business and look forward to serving you in the future!

# Energy News

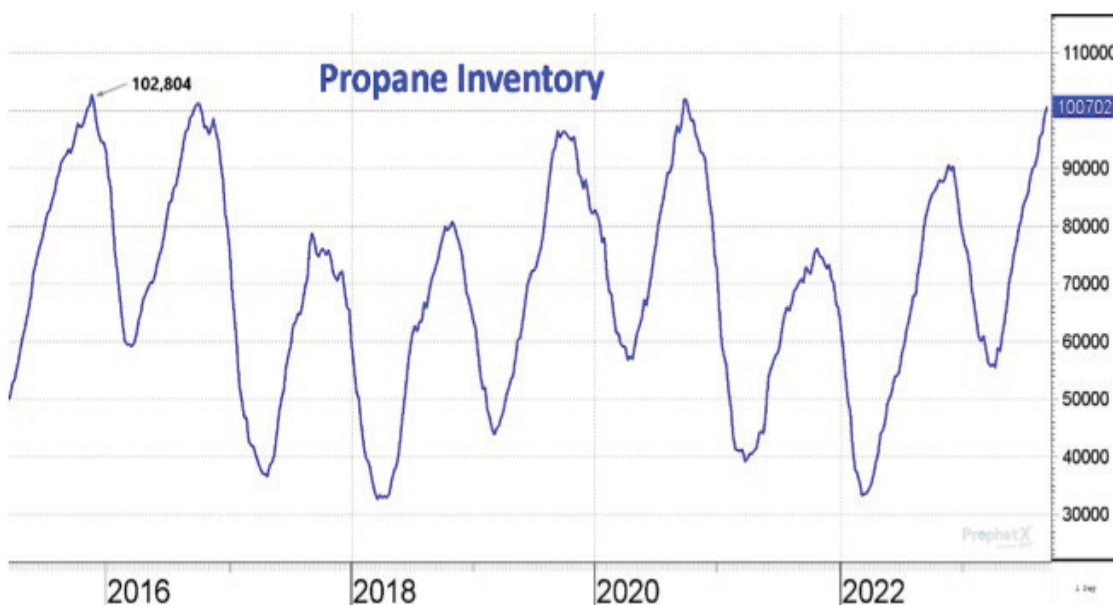
By Brad Maschhoff  
 Energy Dept. Manager  
 Gateway FS Inc.

The oil market has continued its march upwards in the past couple of months adding another \$10/barrel closing at 10-month highs over \$90 in September. News came out of the last OPEC meeting earlier in September that they were going to extend their production cuts through the end of this year. This will

continue to put pressure on an already tightly supplied market and coming into the high demand of harvest. All signs are pointing to some more strength in the market for the remainder of the year.

Propane prices have settled down after following the oil market upwards. As we continue into harvest, I think that propane demand for grain drying will be limited given the weather conditions

and as beans are being harvested the corn will stand and dry in the fields. Propane is one product that is well supplied. As you can see from the chart below, we have exceeded the 100-million-barrel mark. This is only the fourth time in 30 years that propane has reached that point with the possibility of reaching the record set in November of 2015. Hopefully this will keep the market at bay for most of the winter unless we see significant cold weather that depletes the supply.



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# Fall-Applied Herbicides: Starting the Spring Clean

- Fall-applied herbicides are a valuable tool to manage tough-to-control weeds like marestail.

- Fall herbicides may allow for an earlier start the following spring

- Winter annual weeds like henbit and purple deadnettle can be hosts for pests and pathogens

- The use of residual herbicides in early fall will help mitigate weed emergence late in the season.

In recent years, the use of a fall applied herbicide has provided many springtime weed management benefits. Fall-applied herbicides can be very effective at managing annual and perennial weeds such as marestail. Additionally, fields where weeds are managed in the fall are often the most weed free in the spring. Elimination of weed cover and growth in the fall allows the soil to dry out and warm up more rapidly, and ultimately allows for an earlier start of the season the following spring. Winter annual weed control can also provide additional benefits as it relates to insect, disease, and rodent populations. Insects such as wireworm, white grub, and black cutworm adults preferentially lay eggs in fields with green vegetation in the spring. Similarly, wild-

life animals, such as voles, are less likely to invade weed free fields.

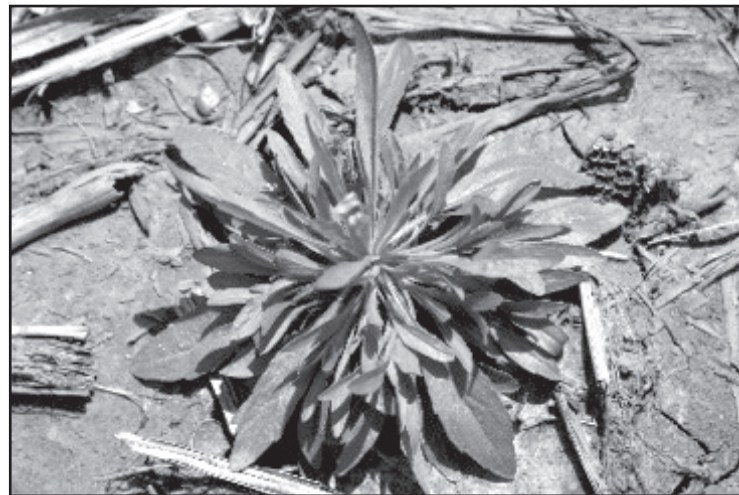
A combination of growth regulators such as dicamba + 2,4-D should provide adequate control of annual and perennial broadleaf weeds. If the weed population contains winter annual grasses and broadleaf weeds, a mix of a growth regulator (2,4-D or dicamba) and glyphosate should be considered. However, the lack of an adequate residual component with these programs may allow new weeds to emerge later in the season. Applications made early in the fall may fail to protect against late season seed germination. Consequently, early applications should include a residual herbicide. The potential downside of using a fall residual herbicide is reduced rotational flexibility. Some residual herbicides will allow you to plant corn and soybeans without restrictions the following season, while others will limit crop rotation options. Crop rotation restrictions will also vary with the rate of the herbicide used, so always read and follow the product label and plan accordingly. Herbicide applications made towards the end of fall are unlikely to benefit from the inclusion of a residual



Marestail Rosette

herbicide.

It is important to remember that fall herbicide applications are not a substitute for spring residual herbicide applications. Weeds are more easily controlled if never allowed to emerge, so incorporate spring residual herbicides followed by in-crop applications to control summer annual weeds, including waterhemp. For questions about fall herbicide applications on your farm, reach out to your local Southern FS Crop Specialist.



Bolted Marestail



**CONQUER HARVEST**



# Bleem Profile: Quoting & Estimating

Over the past few months, we have taken some time to introduce you to Jarret Herzog, one of our team members here at FS Construction Services, and discuss how his experience and expertise is foundational to our business and a great benefit to our clients. We wanted to continue with the idea that the people really do make the place, so we are going to highlight another one of our wonderful employees: Nathan Bleem.

## Quoting and Estimating Expert Nathan Bleem

Nathan joined us six years ago as our Service and Sales Support specialist, but he has been in related fields since his time in college, where he studied plant soil science. When it comes to the logistics for how a job is going to get done, Nathan is our guy.

He describes his job like building a giant Lego set. When we meet with a client

to determine their needs, Nathan will turn those notes into a CAD drawing, then use that as a template for estimating a price for the job. When that proposal is approved, all materials for the build have to be planned, sourced, and organized. This means that Nathan is working with multiple vendors and dealing with multiple shipping windows at once to make sure everything can arrive to the job site on time and in order. The thought of spinning all those plates may send some into a panic, but thankfully for us and our clients, it's Nathan's ideal zone of operation. Pick any one of our projects over the years, and you're bound to land on one that has many parts and pieces, both small and large, that need to be calculated, ordered, and accounted for.

One of the reasons we are always on the lookout for the best of the best is



because we know how often customers come to us for suggestions. And those suggestions are no good if they don't work or are needlessly expensive. In Nathan's words, when speaking of working with clients on grain storage, "When we work with a customer, many times they know approximately what size bin they will need.

Meaning, how many bushels it will have to hold. From there, we give size recommendations and options. We figure out ways to make projects work within their current set up. We know what will work and what will not work if a project calls for marrying components from various manufacturers."

If you are interested in

getting an estimate for an upcoming project, grain system project or otherwise, please let Gateway FS Construction Services know. Give us a call at 866-551-3454, and let our specialists help you find exactly what you are looking for. We look forward to providing you the best customer service experience.



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