



By Russ Pankonin
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“Wow!”

That’s how Frenchman Valley Coop General Manager Jim Chism opened his report to patrons Saturday during the annual meeting for the fiscal year that closed Jan. 31, 2009.

Chism said the completed fiscal year set a number of records, noting this marked the first full year of the operation after merging Farmers Elevator Company of Kimball into FVC.

He said the past fiscal year, ending Jan. 31, 2009, set records for sales, profits and dividends. For the first time ever, Chism said FVC eclipsed more than \$500 million in sales, with \$525,301,927 in sales to be exact.

That’s more than a half-billion in sales, Chism noted.

Local net savings totalled just more than \$7 million—a record for FVC.

Combine that with income and patronage refunds from coops FVC does business with, and the figure grows to more than \$11.7 million.

After income taxes, the net savings generated by the coop totalled \$10,437,678.

As a result, the coop paid out \$2,161,500 in the form of qualified cash dividends and another \$2,161,500 in non-qualified dividends.

In addition, the coop redeemed more than \$800,000 in membership equity of members who have retired, along with estate retirements of more than \$36,000.

All totalled, Chism said the coop returned more than \$3 million in cash to members this year. Over the past five years, that brings the total cash distributed to patrons to more than \$7 million.

Chism said the board opted to make qualified and non-qualified dividends for the first time this year.

In the past, all dividends declared by the coop, including retained savings, were taxable to the member.

By using qualified and non-qualified dividends, patrons owed taxes on the qualified portion only. The tax on the non-qualified dividend was paid by the coop.

This results in putting more money in the patron’s pocket, Chism said.

A wild ride

While the coop recorded a record year for the fiscal year, Chism admitted it was definitely a “wild ride” due to the widely fluctuating crop prices, and with high fuel and fertilizer prices.

As an example, wheat hit a high of \$12.50 per bushel compared with around \$4 today. Corn went to \$7 per bushel compared to around \$2.89 now.

Starter fertilizer skyrocketed to \$1,250 per ton compared to the current cost of \$375/ton.

Chism said that created some conditions of extreme risk but said his staff maneuvered through

it all quite well.

That risk included added interest charges on grain and fertilizer inventories, totalling \$5 million, which is far higher than normal, he said.

He said they didn't get everything right during the year but got far more right than wrong.

Four members of the board of directors were re-elected. They included William "Dude" Tines of Venango, Steve Leibbrandt of Imperial, Dale Dueland of McCook and Jay Gue of Sidney.

The evening concluded with an appearance by Brad Montgomery of Denver, Colo.

He combined magic with a motivational message on how to cope with daily life by adopting a "happy" attitude.