



**ORGANIC FARMERS  
OF MICHIGAN LLC**

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We provide full service marketing of organic edible beans, soybeans, barley, corn, oats, spelt, wheat, hay & other commodities.

**Updated website coming soon!**  
[organicfarmersofmichigan.com](http://organicfarmersofmichigan.com)

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# Organic Farmers of Michigan, LLC

Spring 2013

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## Marketing News

Crop year 2012 has been a very interesting year. We saw a wet spell in the spring when a lot of growers would have liked to be planting but couldn't. Some crops were put in before the wet spell and the rest after. Then we went into a drought that was devastating in some areas and really dried things out in others. As it ended up some growers did suffer big losses in yield and quality and others surprisingly saw good to excellent yields with good quality. It started out with good yields on wheat with mostly excellent quality. Dry beans then came off mostly with lower yields and some quality issues that were caused by some big rains that went thru just a few weeks before harvest. Then things dried out again and a lot of the dry beans were harvested at moisture levels well below normal. Soybeans then came off with much better than expected yields and good quality. Corn yields went from poor to mostly above average and even record setting yields for some growers. Quality was good.

**Wheat** - this has also been an exceptional year with movement of crops into the market. It started out with most of our growers wheat moving by mid-September and all of it mostly moved by mid-October. We moved about 77% of our wheat this year into the feed market with the balance going into the food grade market. This wasn't due to any quality issue's just that there was higher demand on the feed side due to the price of corn. Feed wheat sold mostly at \$11.75 per bushel FOB the farm with a small amount as high as \$12.00 per bu. Food grade wheat sold mostly at \$12.00 per bushel with a small amount as high as \$12.40 per bu.

**Corn** - has moved very well also this year. Corn started moving at a fast rate at harvest time until mid December. It then slowed way down until the end of January and has been moving steady now thru February. We now have about 80% of our corn moved into the market. Most of the balance should be moved by mid-June. Corn prices have ranged from \$11.35 to \$15.25 per bushel. Imported corn has slowed demand since it arrived in January and weakened prices a little.

**Dry Beans** - have been the only slow moving crop this year. We have moved around ten loads of black turtle beans and navy beans since harvest. We would have moved more but bean temperature got down to 22-25 degrees and the beans were being damaged too much. We will get started again when things warm up over freezing. We have all of our dry beans contracted to move thru August at \$.70 per pound after cleaning with a \$.005 per pound storage fee added each month beginning in January.

**Soybeans** - We were able to move around 50% of our soybeans in October thru December this year. This is the first time we have moved this many by this time since I have been marketing for OFM. The rest should move by mid-July. We had forward contracted most of our soybeans in the \$24.00 per bushel to the grower range. We did see some spot loads move as high as \$30.00 per bushel. Feed soybeans were mostly forward contracted at \$22-24.00 per bushel with some spot loads going as high as \$30.00 per bushel until imported soybean meal started coming in and dropped demand off in January.

## Paperwork Priorities

Just a reminder of how important paperwork is.

- We have to have a copy of your current certification on file in order to ship and receive payment for any commodity.
- Also it is very important that when anything is shipped out you have your BOL filled out with the proper information and correct lot numbers. As soon as your product is shipped we need a copy of your BOL so we can invoice the buyer and do the proper paperwork to insure a speedy payment.
- Make sure to always obtain a scale ticket for each shipment. Fax that along with the BOL.
- I take care of doing the Transaction Certificates. Many buyers request these before they will send payment so it helps if you also put your farmer lot number somewhere on the BOL. This makes it easier for me to get them done faster.
- Be sure to get your certification paperwork back to your certifier as soon as possible. For most crops we need NOP and COR (Canadian Equivalency) and JAS equivalency on soybeans for export to Japan.



Give us a call if you have questions on what type of certification you will need or if you need any help in filling out your BOL's.

## Money that went back to the Members

This is the third year in a row that we have given money back to all our farmers. As you know we charge a 3% Commission on everything you sell thru Organic Farmers of Michigan. At the end of the year we distribute any extra income back to our farmers on a percentage. This year we gave back \$63,275.84 to our farmers.

This made your commissions for the year 2.4% on all sales in 2012. This is a very good reason to stay involved in our group and sell thru OFM. We not only work very hard to get you the highest prices but we try to do it at the lowest possible cost.



## Taking commodities to Processing Facilities

Make sure when you take your commodities to the processing facilities you fill out a BOL just the same as when you ship anything else out. You will be the shipper and the processing facility will be the consignee. Leave the buyer and seller blank. You will put your own lot number on the BOL and include in the commodity section the words "for processing only." This shows a transfer from you to the processing facility. We will then get the BOL information to the processing facility when the cleaned product is shipped out to the customer to complete the paperwork trail. Make sure you get a scale slip and any other information as far as moisture, TW, FM or grading results that the processing facility performs on your sample they take. Please fax this information to us immediately after delivering your commodity to the processing facility. We need to keep track of everything we have going in and out of the processing facilities.

Our Mission is to increase the viability of farming for all generations and to provide the local community, as well as abroad, with healthy and nutritional foods.

We periodically publish prices received by growers for most commodities so that growers everywhere know what is being paid for them. We do this to help prevent low price areas that can bring everyone's prices down.

Farmer members committed to working together with other organic growers in an organized manner thru OFM have made it possible for us to obtain some of the highest prices for our members commodities.



## ANNUAL MEETING

We will be having our annual meeting sometime in March at the Evergreen Township Hall in Shabbona. Be sure to be watching for your official notice in the mail. We will be having board elections, review target prices, and go over 2013 crop forward contracts. Please bring your planting intentions.



## New Crop Contracts

Currently we are looking to fill 2013 crop contracts for the commodities and pricing listed below. Please give me a call if you have quantities you would like to commit to any of the available contracts.

Food grade soybeans	Most clear hylum varieties	\$30.00 per bushel to the grower
Dry beans	Black turtle beans	\$.7566 per pound to the grower
	Navy beans	\$.7566 per pound to the grower
	Pinto beans	\$.7857 per pound to the grower
	Dark red kidney beans	\$.9118 per pound to the grower

- These prices are based on current cleaning costs.

We will add 15 cents per bushel per month beginning in January for storage on soybeans and \$.005 per pound per month beginning in January on dry beans.

We are currently working on a corn contract that would pay \$12.50 per bushel for November and December and \$13.00 per bushel for January thru March. We hope to have this contract available by mid-March.

We are currently working on wheat contracts that would pay \$11.75 per bushel for wheat moving into the feed market and \$13.00 per bushel for wheat moving into the food market. Feed wheat would move mid-July thru October and food grade wheat would move August thru December. We hope to have these contracts available by mid-March.

## Organic Farmers of Michigan LLC Marketing Release

The Organic Farmers of Michigan, L.L.C came together in December to review prices for the 2012-2013 growing season. We have, after reviewing sales information, these prices to report as marketing recommendations:

Prices for Certified Organic commodities cleaned or bin run weight, and FOB farm or cleaning facility.

Navy Beans	.79-.86/lb*	Soft White Winter	12.00-13.00/bu*
Black Turtle Beans	.79-.86/lb*	Soft Red Winter Wheat	12.00-13.00/bu*
Pinto Beans	.82-.89/lb*	Hard Red Spring Wheat	16.00-20.00/bu*
Great Northern Beans	.79-.85/lb*	Buckwheat (Food)	.28-.35/lb*
Small Red Beans	.79-.85/lb	Buckwheat (Feed)	.25-.30/lb*
Dark Red Kidney Beans	1.02-1.08/lb*	Spelt (whole)	.24-.26/lb*
Light Red Kidney Beans	1.02-1.08/lb	Spelt (dehulled)	.48-.55/lb*
White Kidney Beans	1.05-1.10/lb	Oats	4.50-5.50bu*
Adzuki Beans	1.15-1.25/lb	Barley	6.00-7.00/bu*
Feed Soybeans & Splits	26.00-28.00/bu*	Rye	12.00-16.00/bu*
Vinton 81, HP204	28.00-30.00/bu*	Medium Red Clover Seed	2.00-2.50/lb*
High Protein Clear	28.00-30.00/bu*	Corn	12-15.00/bu*
Low Protein Clear	27-00-29.00/bu*	Hay-minimum 140 RFV	180.00-220.00/ton*
		Milk	28.00-30.00/cwt*

\*Actual Prices received within range listed.

- Transitional/non-GMO-on selected crops 75% of above prices.
- Above pricing for quantity orders. For small or special orders pricing may increase. Note that these are only recommendations. Prices may change in different geographical areas because of shipping costs, demand or market base.
- A marketing cost of 5% should be expected.
- There are several terms that we should define to help establish common ground ideas.
- Prices Received: These are prices received by willing sellers/growers from willing buyers.
- Parity Prices: In 1910 to 1914 the American Farmers made a wage equal to his city cousins wage.
- The organic market has established standards on the quality and purity of each commodity. Therefore, each product must be in a clean marketable state.
- If we, as farmers, do not establish our own prices, it will be done for us and not to our benefit. We will be glad to add any commodities to this list after reviewing your sales information and recommended prices.

If we work together at maintaining a high standard of production and pricing we will be able to maintain a true sustainable agriculture. In the future we also need to have a strong base of added value to our raw products, such as marketing our own flour, bean soups, and sprouts. This will help us keep market share and more of the market dollars in our local communities.