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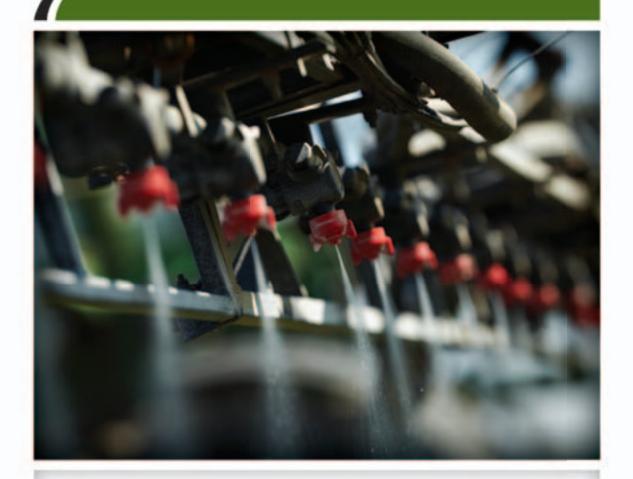


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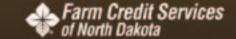
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As technology continues to evolve and becomes more involved in our daily activities, so does social networking. More people are getting involved with social networking tools such as Facebook and Twitter. These tools have been great for reconnecting with old friends, former classmates, and business associates. Many people in the agriculture industry already know how big technology has gotten and how important it is. It seems as if our cell phones can do everything but cook us dinner and that may come before we know it.

A big trend now is that businesses are joining in on social networking. Businesses are disseminating information using these tools to inform their customers of a sale or items they are carrying. They also use it to let consumers know of any new updates to their business such as new personnel, facilities, and services.

Horizon Resources is now joining in on using a few of these tools to inform the producers and customers about markets, products, and services in which we provide. The hope for Horizon Resources is to reach more people, both current and new customers in the divisions of feed, grain, oil, and gas,

agronomy, and retail. For example, on the grain side we plan on posting grain prices, bin room availability, and when we are anticipating a train to load and ship off to market. Feed specials, along with educational material, will be available to help producers and customers with their decision making when purchasing products.

Other opportunities with social networking would be with the c-store and letting people know of any seasonal specials that are currently advertised. Also, the Horizon Resources agronomy division can inform producers of fertilizer availability through social networking tools.

Horizon Resources hopes social networking will help producers and customers with better communication in all divisions including, agronomy, grain, oil and gas, and retail in a timely manner. As we forge into this venture we hope to hear from customers to see if these tools are viable. Make Horizon Resources part of your social network. With this technology available, it is still important to hear from you. Keep calling and stopping in to see us, we enjoy talking with each of you as often as possible.

- **Q:** What are some of the comments from people who visit McKenzie Bay?
- **A:** My opinion is that this area is probably the prettiest part of all North Dakota and when you hear words from visitors like beautiful, unbelievable, and gorgeous, it just confirms what I have always known.
- **Q:** Any visitor stories that stand out in your mind?
- A: I remember we had one couple that called us up and by the time they finally arrived at the campgrounds it was the middle of the night, so very dark and you couldn't see much. We made sure that when we helped them park their trailer we faced them south, so that when they woke in the morning they would have a spectacular view. Sure enough, when they got up that morning they were absolutely blown away from their view of the lake.

We also had a group from Colorado that told us they had made reservations somewhere else on the lake and were less than pleased when they arrived. Soon thereafter they heard about McKenzie Bay and when they arrived they exclaimed, "Now THIS is what we were looking for!"

- **Q:** Sounds like this is the place to be then?
- A: It's funny, I remember talking to one gentleman who had come from out of state. He had been to a number of other lakes around the country and was currently staying at a cabin somewhere on Sakakawea when he told me, "You guys don't know what you've got here." I simply smiled and said, "Well, some of us do."

\*McKenzie Bay Marina and Campgrounds is located east of Mandaree, ND and is open from Mid May through Mid September. Visitors can call 701-759-3366 during open season.



Gary Sedlacek

# Resurgence By John Gorman Of Sakakawea

Ask Gary Sedlacek what has changed the most in his four seasons at McKenzie Bay and he'll tell you it's the water level. In fact last year alone he guesstimates that Lake Sakakawea's water level rose somewhere around 15 feet during the summer. "It's just incredible," he says adding that in the last four years he believes the lake has risen by as much as 40 feet or more.

McKenzie Bay, located on the Little Missouri Arm, and just a short hop, skip, and a jump from the big lake of Sakakawea is home to McKenzie Bay Marina & Campgrounds. Sedlacek, who works in Horizon Resource's Agronomy division as an applicator, also moonlights as a self described "Jack of All Trades" for McKenzie Bay and owner Ronda Logan.

I sat down with Sedlacek and discussed McKenzie Bay's Marina as a local attraction and the resurgence of Lake Sakakawea in recent years.

- **Q:** What type of services does the McKenzie Bay Marina provide to customers?
- A: We have 63 campsites with electrical hookups, along with 27 RV sites, as well as primitive camping away from the main campsites. We're really a full service recreation facility with cabin rentals, a bath house, a bar/restaurant, small grocery store, bait shop, fish cleaning station, boat storage, two boat ramps, and gas available right on the water. We are also one of the few places that offer to launch and retrieve customer boats and we know people really appreciate that.

- **Q:** Does McKenzie Bay bring visitors from all over?
- A: Many of the people that come to the area are North Dakotans, however, we get visitors from all over, including Colorado, Minnesota, Wisconsin, and even as far away as New York. In fact, many are second generation, meaning that years ago they came here with their parents and now they are returning with their own families to the area.
- **Q:** Would you say that fishing is the main draw for visitors?
- **A:** Without a doubt. We have some of the best fishing around and that's a big draw that brings fishermen from all over.
- **Q:** How have the recent water levels affected McKenzie Bay?
- A: Overall it has been a positive, in that more people are talking about the lake. To be honest, even when the water levels were low we had the same accessibility to the water, however now we just have more of it. The fishing is still great, but it has changed in that in past years almost anyone could drop a line in the shallow water and catch something. With higher water levels people need to work a little harder to draw in the fish, but it makes for incredible sport.
- Q: Has there been any affect on the local wildlife?
- **A:** We still have geese and deer that frequent the area year round. I've seen more pan fish in recent years as well as the fish seem to look healthier and fatter under these conditions, so again a definite positive.



### LEWIS & CLARK ON

"Should have been here yesterday. A big moose came wandering out of the hills over there and continued across the marina." Greg Corcoran is the Park Manager at Lake Sakakawea State Park. It was a beautiful February afternoon when we stopped to visit with Greg about Lewis and Clark State Park. "Then he headed up over there and disappeared. I tried to get a couple of pictures of him but really only got one."

Sure enough, the tracks were still there, about 50 yards below the now vacant marina parking lot at Lewis and Clark State Park. Located about 20 miles east of Williston. The scenic drive down Highway 1804 has always been a favorite of mine, even in early February with snow covering the hills and the expanse of Lake Sakakawea in the distance.

The sun glistened off the nearly 2 feet of snow that covered the entire park. In the marina just the very tops of the boat slips could be seen. The visiting moose was just a matter of feet from the docks and probably paid little attention to his surroundings. The quiet solitude of the park in winter is certainly inviting to several wildlife species; "Both white tail and mule deer, elk, moose, coyotes, and lots of birds," Greg stated "C'mon outside, you need to meet Dave." We had been inside the park headquarters and interpretive center and had paid little attention to what was going on outside. The silence had been broken by the sound of an ATV. "Dave is out grooming cross country ski trails today." Dave jumped off his machine and approached us. Dave Bauer, Maintenance Supervisor at the park, smiled and gave us a cheerful hello. A quick hand shake, a round of introductions and we were ready to see the groomer go to work as Dave brought the ATV to life. The wheels on the ATV were replaced by tracks and behind the

ATV was a homemade groomer. A couple of barrels and some snowmobile track had been fashioned into a tool that was used at least once a week to groom the over 4 miles of cross country trails that wind through the park. "Winter is great out here" according to Greg "the park is so underused this time of year. Folks could come out and cross country ski or snowshoe and there's always birds and wildlife around." Dave made a couple of passes on a nearby trail allowing me to take some photos of the groomer in action. In the distance there were about a dozen white tail deer watching with curiosity from a tree row. We had probably interrupted their normal afternoon routine.

Greg took us inside again and Dave joined us. When I asked how long they had each been there Greg answered that he was entering his 3rd season at the park. Dave had been at the park part-time during the summers for 15 years, and now full-time for the past 3.

Having done some winter camping myself, I inquired if the park was used much during the winter months for this type of activity. "Not really," replied Greg "we only average about 10 visitors per week, mostly to cross country ski". Our conversation turned to summertime activities at the park and the increased traffic now that the marina was operational again. But summer at Lewis and Clark State Park is so much more. "There are lots of song birds that make their homes here during the summer. Snowy owl, rough legged and cooper's hawks, pheasant and grouse, just to name a few," said Greg. Dave added that "there are 81 camping sites both primitive and modern, and there's a nice shower house." I found out that the park is also set up for geocaching for those who like to hike using a hand held GPS.

the Traeger, which is also the temperature that we use when we smoke meat to add that extra outdoor grilling flavor.

I am sure you are already questioning how I did my traditional stuffing. We decided that it would be easier to cook the dressing in a separate pan rather than stuffing it in the turkey cavity. It was a small concession to make to give my wife some peace of mind that her stuffing would be done and ready for Thanksgiving dinner.

The cooking time seemed to fly by. I made several trips to the grill to baste the turkey and

carve. As the knife cut through the skin it was apparent that the meat was tender and moist. Of course the chef gets to try the first taste, and WOW! The hickory smoked taste was beyond belief. I could have taken the credit, but the bottom line is that most of the credit goes to my Traeger Grill.

Well, we're more than a few months into winter and the Traeger Grill is still seeing a lot of action. It works so well that we don't even look at the weather when we plan to grill steaks, or seafood, or pork, or poultry...you get the drift.



#### "MY TRAEGER IS NO ORDINARY GRILL"

to check the progress, but it was soon clear that we were on the right track. The bird started to brown nicely, and with a meat thermometer I was able to monitor how well done the turkey would be.

About ½ an hour before dinner, the turkey reached well done. The pop-out thermometer on the turkey agreed and we were ready to

My "Turkey on a Traeger" experiment was a great success. I will be sharing a recipe every issue now, and if you have recipes you would like to share send them to Horizon Resources Attn: Traeger Recipes, 209 Washington Avenue, Williston ND, 58801.

Rod Wilson

As the snow was piling up late one November afternoon, I could only gaze out at my back yard and remember the summer months when my Traeger grill was the focal point of the landscape. Could this be the end of the grilling season, again? Would those delightful aromas of grilled meat and vegetables be gone until spring? "NO!" I said with determination. My Traeger is no ordinary grill it starts by itself when I plug it in, it keeps the cooking chamber at a consistent temperature, and most important, you get that great flavor in everything you cook.

Not surprisingly she was willing to give me the opportunity to grill this Thanksgiving turkey. As grilling partners during the summer, the Traeger and I had proven to deliver great tasting meals. We were ready for the challenge.

I started with a 10-pound turkey, which fit quite easily into grill. The consensus from the family was that hickory was their favorite flavor, so I loaded up the side box with hickory wood pellets, available at your local Horizon Resources hardware store of course, and we were ready to season the turkey for cooking.



The challenge? Thanksgiving dinner was just a couple of days away. I needed to convince my spouse that we could cook our Thanksgiving turkey on the Traeger, and have it ready for that meal of meals on Thanksgiving. I was very descriptive as I reminded her of the great success we had during the summer when meal after meal turned out better than expected when cooked on our Traeger grill. No more ugly burn outs when fat hit the open fire and caused flare-ups. Meals are easy to cook...

To prepare the turkey we did the normal rinsing with cold water and then we used Traeger poultry seasoning inside the turkey. We mixed the poultry seasoning with a little canola oil to baste the outside of the bird, and then it was time to start the grilling process. I am certainly not a professional when it comes to outdoors grilling, but I have found that the secret to great grilling is a controlled grilling temperature. How much time you have will affect what temperature you use. We started our turkey 8 hours in advance of dinner, and we used the very lowest setting on

### THE REBOUND!

So what's in the future for Lewis and Clark State Park? Well in 2013 the park is 40 years old and Greg and Dave would like to see some type of celebration. "This park is a great gift to the people of North Dakota" Greg says with pride, "there are a lot of things we are looking at. More and bigger slips in the marina, canoe and kayak rentals, expanding and converting the electrical service in the modern sites and even adding more full service modern sites. We'd like to remodel the whole visitors center to improve the interpretive center and just give it a facelift."

As for improving winter activities? "It would be great to have cross country ski and snowshoe rentals for a start, and then someday we would like to host an annual winter event like a 20 mile cross country skiing marathon." "We'd like to someday have some winter shelters, like the Yurts they have at Cross Ranch" added Dave. How about ice fishing? Doesn't that bring a lot of activity to the park? "The past 2 years have been pretty tough on the ice fishing. Access has been hard and with the heavy snow cover it's tough to drive out on the ice" said Dave. The conversation went on for another 15-20 minutes as we shared ideas. I, being a former Scout leader, saw all kinds of opportunity for winter camping and Zero Hero events. It was pretty apparent that any idea to expand the use of the park would be entertained by Greg and Dave.

As we left the interpretive center and got ready to say our good byes, the small herd of white tail deer had made their way up from the lake and bounded within 25 feet of where we were standing. On the way out we caught a quick glimpse of an owl and a hawk. A return trip to Lewis and Clark State Park was on our summer "to do" list. And from now on we would take a few extra minutes during the

winter and drop in just to say hello to Greg and Dave. Lewis and Clark is a park on the rebound from years of low water doldrums, but the future is bright and in good hands with Greg Corcoran and Dave Bauer.







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Rick Gafkjen is an ag lender for Western Cooperative Credit Union, and has been for 16 years. Looking out at the piles of snow in the parking lot at WCCU, Rick gives and optimistic forecast for 2011, "I think we'll get a good start this spring. We had a lot of rain last fall and now with all of this snow we should have great moisture to get the crops started." But it's a long growing season, and as Rick and all producers know, a lot can change. Take last year for example; "We had record yields, but the fall rains came early causing some quality problems" according to Rick, and with input costs growing every year farmers have a lot invested and need good yields and good quality to stay in business.

Rick knows the ins and outs of production agriculture well. He grew up on a farm just 25 miles northwest of Williston. Today his brothers Russell and Wade still farm and they have been joined by Rick's son Jared who is just 34 years old, considered young in today's production ag industry.

Rick started his education in a rural school and graduated from Alamo High School. He attended college at UND Williston. He went back to the farm for about a year and a half before finding a job at GTA as a grain merchandiser. He then worked for Farm Credit Services for 10 years before joining Western Cooperative Credit Union, where he is now Ag Loan Manager.

make comparisons between farming when he first grew up and today's producers. "25-30 years ago it used to take \$50,000 to put a crop in the ground. Today we can easily have \$500,000 to a million dollars into a crop before it even starts to grow!" explains Rick, "It leaves very little room for error. A major disaster can take it's toll on a producer in a hurry, it may even wipe them out". The good news is that with higher commodity prices producers can protect themselves by purchasing Multi-Peril insurance.

Getting into production agriculture is a lot different today. "Young people interested in farming almost need help from a relative to get them started, it's probably not possible to borrow enough to start from scratch."

And with input costs increasing, decisions are harder. "Last year you could have sold your wheat off of the combine for \$2.00 to \$4.00 a bushel depending on quality. That same crop is \$5.00 to \$10.00 a bushel right now".

Still, farming is a life like no other, and as a member owned credit union, WCCU serves it's ag members well. "We have always tried to look out for our members and help them wherever we can" according to Rick.

Rick and his wife Judy have another son Aaron, who is managing the Zahl agronomy division for Horizon Resources.

#### Nitrogen cycles&

Nitrogen cycles

What goes up must come down. What gets put down can cycle down. What gets put down can cycle up. What the heck am I talking about and what does the title of this article mean? I am talking about two entirely different things that farmers are very interested in, and it can make a huge impact on their bottom line, both of them in different ways.

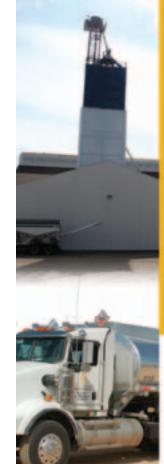
of them in different ways. The first cycle I want to talk about is the nitrogen cycle. The nitrogen cycle that deals with what happens to the main nutrient of nitrogen when you apply it, or don't apply it to your fields each year in your farming operation. Nitrogen is available in many forms. The two most commonly sold forms are dry fertilizer called urea or ammonium nitrate. It is also sold as anhydrous ammonia and liquid fertilizer with UAN being the main source. This is not new information or any big secret to any farmer, as he has been using these products for many years. What is more important, and somewhat left out of the equation is what happens to your fertilizer when you apply it to the soil. In a perfect world, if you apply a pound of nitrogen to the soil, you have a pound of nitrogen available to produce 2 ½ bushels of wheat. In the real world, when Mother Nature gets ahold of your pound of nitrogen, there are many things that she can do with it. With her greed, she can act like the government and tax a certain percentage of everything you add to the soil by tying it up with organic matter. Or again like the government, she can flush it through her system possibly making it wasted money. I will try not to bore people into turning the page by trying to explain the nitrogen cycle in detail, but in general, nitrogen goes through a process converting it to a useable nutrient for your crop. While going through this process, the more organic matter or residue that you have in your field, the more tie-up you can have making the nitrogen unavailable during this growing season. It is

normally not gone forever, it is only tied up until the residue or organic matter is mineralized and releases the nutrients.

Another common thing that can happen when the nitrogen converts into nitrate is that it becomes leachable and can move with soil moisture. If your soil is saturated, it can also be released to the atmosphere by denitrification, almost the opposite of leaching. The reason that I am bringing this to your attention is because we saw a lot of this happening with our 2010 crop season. With above normal precipitation during the growing season, we saw crops that suffered nitrogen losses mainly through leached nitrogen being pushed below the root zone. We had an ideal environment to grow small grains last year, and they were not stressed enough. The root system did not have to go very deep to stay in the soil moisture, so the plants could not reach the nutrients once they were leached deeper than the root zone. With the crops that have been produced in the past two years, we can see in the soil tests that we do not have a large amount of nitrogen left in the soil profile. John Lee from Agvise Laboratories, of whom we use for all of our soil testing, recently wrote an article stating that "University researchers have told us that if the soil nitrate level is less than 30 lbs. per acre following corn or wheat, you have probably lost some yield due to insufficient nitrogen. In wheat, you probably had lower protein as well. If the soil nitrate level is in the 10-20 lb. range, you certainly suffered yield loss this year." To give you an idea how our soil tests are coming back in western ND, Agvise had an average of about 32 lbs. of nitrogen following wheat in our area. Almost 30% of the tests came back with less than 20 lbs. of nitrogen. About 80% of our fields have less than 40 lbs. of nitrogen following wheat in 2010. That means that without added nitrogen about 80% of our

# sudoku

6	5	3	8	4	9	7	2	1
1	4	9	5	2	7	8	6	3
8	2	7	3	6	1	5	9	4
9	8	6	7	1	4	2	3	5
2	3	5	6	9	8	4	1	7
4	7	1	2	3	5	6	8	9
3	9	2	4	5	6	1	7	8
7	1	4	9	8	2	3	5	6
5	6	8	1	7	3	9	4	2



Horizon Resources Annual Meeting

APRIL 21, 2011

AIRPORT
INTERNATIONAL INN

Dinner at 6 pm Meeting to follow

Guest Speaker

Ron Ness

President of the ND Petroleum Council





Recently there has been considerable volatility in the grain markets which has generated a large volume of sales by producers. The majority of sales have been for nearby delivery so I have lined up freight to accommodate those delivery periods. To get all of this grain moved, your cooperation will be needed. When there is space please be

diligent with delivering obligations! March and April will be busy and perhaps beyond as I had to make sales into May and June to find a home for everything that wanted to move. Yes there will be times when the terminal will be full but as I said I have trains ordered, it is just a matter of when they arrive. Currently freight placements are about 15 days late with no signs of improvement.

Because there is such a large volume of grain contracted, loads delivered will be applied to contract before being available for cash sales.



**Brian Fadness**Grain Division Manager

# RETAIL 2011



Well, as we start a new year and with spring coming there are a few new things that I would like to tell you about. There is a new Honda push mower coming out and it has a side discharge along with the bag and mulching so it will be a three-in-one mower. It is a spin-off of a model that they had a few years ago, but it will have an over the cam engine on it like the steel deck units have now.

As we look for spring to come it is always fun to start putting the new stuff out on the floor. Some of the new items are a couple of new Traegers we have brought in. One is the Texas style grill, this grill features a digital Thermostat and a 646 square inch cooking surface, with 36,000 BTU's. This is a big grill, whether you are cooking for the family or have a guest over you will have the grill to do the job. The other Traeger is called the Deluxe. This is a new design that smokes and grills. It has 36,000 BTU's and a 418 square inch cooking area. We now have five models of the Traegers all with the smoking or grilling capability. As for the Pellets we have on hand. You have a good selection from Hickory, Mesquite, Apple, Cherry, Oak, Maple, and a few others to try. Also, don't forget the spices whether you have a Traeger or not, they are some of the best tasting spices in the area.

Some of the new items we will be bringing in are safety glasses and some really nice gloves, made by a company called Black Rhino. These are high quality products made at an affordable price. We have been carrying Black Rhino tools for a few years now, and I like the quality of all of their products, from the Crescent Wrenches to their blade products. If you are looking to replace or are in need some new tools, don't forget to look at these products. There are a lot of new items coming in the spring so make sure you check them out. Our spring flyer will be out late March into early April, depending on the weather and when everyone can get out to do some lawn work or spring cleanup.

Keep in mind that we have been informed that all of our vendors for oil have told us that their prices are rising once again. We will try to hold off raising our prices as long as we can. If you need an oil order for spring get us your list of oil and filters, you will need to check with us when the oil sale starts to get the prices.  $\psi$ 

cropland would probably not produce more than about 15 bushels per acre.

The other part of the nitrogen cycle that I will talk about is the supply and demand cycle, and what determines the prices of nitrogen. At one point, natural gas was the main driver of nitrogen prices, and that would only stand to reason since our nitrogen fertilizers are a byproduct of natural gas. I used to look at the natural gas prices every day and try to get an idea of what was happening to the fertilizer prices. This was especially evident after Hurricane Katrina drove natural gas prices to over \$15 per MMBTU (Million Metric British Thermal Units). Today, the price is hanging around the \$5 range per MMBTU and in the summer months it is common to see the price in the \$2 to \$3 range. Today's pricing does not really correlate to natural gas prices, but it is more related to the current commodity prices especially corn being the main driver. We are not protected in future markets with fertilizer making it more of a high-risk commodity to buy and sell. We try to time the market the best we can, but almost every fertilizer dealer in the country found out that it does not work the same every year and what goes up, can come down only faster. The second factor driving crop nutrients is world supply and world markets. China and India play a huge role in price because they both use large amounts of fertilizer. When they purchase tons in blocks of as much as one million tons can make the market take significant swings. Currently another factor with the world market is that the US market is at a discount to the world market. This can actually steer vessels of import fertilizer bound for the US away from the states and to other countries where the producer can sell for more money. When the US market is at a discount, we can also see imported tons re-loaded onto vessels and shipped off to make more money by exporting them back out of the US. This can have a very negative effect on our domestic inventories and in turn affect our prices by depleting domestic inventories.

Supply and demand is the last factor in this nitrogen cycle. Our main source of nitrogen in our area is the Canadian suppliers. This past year, we have seen production problems limiting tons that the Canadians wanted to sell into the US market affecting the nitrogen prices in the northern part of the US. Phosphates have also seen the effect of supply and demand this past year. When phosphate prices got to the \$1,000 range in 2008, growers cut back. These past two years, with both huge crops produced along with cheaper phosphate prices, the demand for phosphate fertilizer has been more than domestic production can keep up with. As normal in this situation, this caused the prices to increase and reach levels of about one and a half times over last year's prices. My only word of warning for this spring is that some products might be really tight and in turn, that may have an impact on pricing. For canola growers, Ammonium Sulfate has been really hard to get and this has already affected prices. Anhydrous ammonia might be another product that is tight as we have some suppliers warning us that cash tons might not be available from Beulah or Velva for spring. As I write this, it is not all doom and gloom as the markets have followed the commodity prices and growers can contract fall wheat and durum for over \$9 per bushel. This more than makes up for all of the increases in crop nutrients and with the amount of soil moisture last fall

and the winter snows, the 2011 crop looks like it is already getting off to a good start. I hope we can start some fieldwork soon, so have a safe spring and we look forward to helping you make the most of your 2011 crop. #



**John Salvevold**Agronomy Division
Manager

On The Horizon / Spring 2011



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"In the summer of 1991, I was invited to meet the board members of Horizon Resources. I was, however, an hour late to the meeting because I completely forgot about the time change. They hired me anyway," says Rick Frost, the financial auditor for Horizon Resources.

A shareholder in the firm of Junkemier, Clark, Campenella and Stevens, Rick is still doing the auditing for Horizon Resources.

"In 1991, when I started working with Horizon Resources, their coop annual sales were just shy of seven million dollars. This year, they topped the line at just over 238 million," says Frost. "That's great growth, and I truly believe a majority of their success needs to be attributed to the staff and management of Horizon Resources."

"Management has made great decisions in the expansion of their company, and they've taken Horizon Resources down the right road for success," reports Frost, "but they've also got a great customer base because they provide the services people want, they have employees that provide excellent customer care, and they pay dividends."

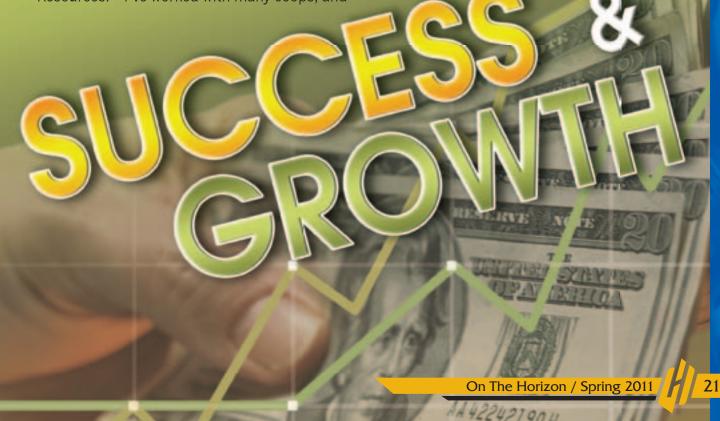
Frost goes on to say how much he enjoys working with the employees at Horizon Resources. "I've worked with many coops, and

not one is as organized as Horizon Resources. Every year when I come in to do the auditing, they have everything tied down and in place. They really pay attention to their business. Most coops are not nearly as organized."

"There will come a day when I retire and I can honestly say I'm going to miss working with the great people at Horizon Resources," says Frost. "In fact, I remember Jeff taking me to a Williston High School basketball game and watching Brian Qvale play. It was his senior year. Even though I've never met him, I've followed his career ever since. He now plays for my alma matter, the University of Montana Missoula. "

Reflecting over the last 20 years, Frost says that even though Horizon Resources has grown and changed as a business, the employee's devotion to customer service and organization hasn't waivered one bit in that entire time. "They really are a great group to work with."

Rick Frost, CPA
Horizon Resources Financial Auditor



#### SOIL HEALTH = ORGANIC MATTER

For years there have been soil scientists telling us that farming (tilling the soil) is not a natural process, and such continued disruption along with monocropping will reduce the health of the soil and its long term productivity.

During the past half century, we have thought that eliminating soil erosion was the major challenge in maintaining viability of the soil. However, in today's agriculture circle, there is much discussion about soil health in terms of the living organisms in the soil. We are quickly beginning to understand that soils are alive with a variety of organisms, most being beneficial to soil productivity. These soil organisms include fungi, bacteria, nematodes, earthworms, microanthropods, and insects. We are learning they have several functions including: 1) transforming nutrients from one form to another, 2) assisting plants to obtain nutrients from the soil, 3) contributing to the aggregation of soil particles, 4) enhancing cycling of nutrients, 5) degrading toxic substances, 6) assisting and sometimes hindering water penetration, and 7) helping soil to form from original parent rock materials.

Along with living organisms in the soil, soil health also involves the integration of the chemical and physical components.

Chemistry of the soil is concerned with the availability of elements for plant uptake as well as the presence in soil of elements and chemical compounds that might be present at levels that are detrimental to plant and soil organisms. Some elements in soil are nutrients and are essential for plant growth. Other elements are not essential and may be toxic to plants. The availability of elements for plant uptake is affected by soil pH and reactions of elements with soil particles and organic matter.

Another component of soil health is its physical fertility. Important physical properties that affect fertility include soil, structure, and

texture. Structure is the amount of aggregation and pores in soil, while texture is the proportion of clay and sand particles in the soil. Both affect soil fertility by affecting water movement through the soil, root penetration, and water logging. Although salinity is a chemical property, it can affect soils physical fertility by decreasing the movement of water through the soil.

There is no quick fix to improving soil health. In many instances it involves building soil organic matter levels and soil structure thereby increasing both the rate of water infiltration and the water holding capacity of the soil. Before the plow came to western North Dakota, records show organic matter levels at five percent and more. Today, a number of our tilled soils will likely test between one and two percent.

Today's farming practices are aimed at improving organic matter levels. Farmers have sharply reduced tillage operations and implemented crop rotations. The use of pulse crops has given crop rotation options that were not available twenty years ago. However, neither lentils nor peas are high residue crops.

The use of cover crops as a soil builder is catching momentum. Grain farmers may tend to think of cover crops as a practice better suited for the cattleman. However, farm managers are beginning to see the value in such a practice. The cover crops add crop diversity, stimulate soil microorganisms, improve nutrient cycling and availability, and enhance the soil's fertility.

There is no one recipe for building soil health. If there is, it will likely promote organic matter. #



Warren Froelich
Williams County
Extension Agent



It depends on what kind of **IRA** you're talking about. Traditional **IRAs** and Roth **IRAs** are each subject to different contribution rules.

You're allowed to contribute up to \$5,000 to a traditional **IRA** in each of 2010 and 2011, as long as you're under age 70½ and you have earned income. In addition, if you're age 50 or older, you can make an extra "catch-up" contribution of \$1,000 in 2010 and 2011. You can make your annual contribution up to April 15 of the following year, either in a series of payments or in one lump sum.

The beauty is that practically anyone who has a paying job can set up and contribute to a traditional **IRA**. Also, if you meet certain conditions, you may be able to contribute an additional \$5,000 in 2010 and 2011 to an **IRA** in your spouse's name (plus an additional \$1,000 catch-up contribution if your spouse is age 50 or older). However, whether or not you can deduct your traditional **IRA** contributions will depend on several factors, such as your income, your tax filing status, and whether you or your spouse is covered by an employer-sponsored plan. You may be able to deduct all, a portion, or none of your contribution for a given year. You may even qualify for a partial tax credit.

Roth **IRAs** are in some ways the opposite of traditional IRAs. Contributions to Roth **IRAs** are never tax deductible, but a tax credit may be available and qualifying distributions will be tax free. A Roth IA distribution is qualified if you've had the account for at least five years and/or the distribution is made after you've reached age 59½. Distributions made prior to age 59½ may be subject to a federal income tax penalty.

Also, even though the same dollar caps on yearly contributions apply to Roth IRAs (\$5,000 in 2010 and 2011, \$6,000 if age 50 or older), not everyone will qualify to take full advantage of a Roth IRA. The amount you can contribute to a Roth IRA (if anything) will be based on your income and filing status. If you do qualify, you may be able to continue contributing to a Roth IRA after age 70½-a feature traditional IRAs don't offer.

As with traditional **IRAs**, you may be able to contribute to a Roth **IRA** on behalf of your spouse. However, your contribution to a Roth **IRA** for any tax year must be reduced by contributions made to other IRAs during the same year. For example, your combined annual contribution to all of your **IRAs** in 2010 --Roth and traditional--cannot exceed \$5,000 (\$6,000 if you're age 50 or older).

Please call, write or email us for a free copy of our more in depth article entitled, "Understanding **IRAs**".

If you are self-employed or own your own business, you may be able to increase your deductible contributions by adopting other types of retirement plans like SEP **IRA**, SIMPLE **IRA**, or Solo 401(k) plans. For more information, please call, write or email us for a copy of our free article, "Retirement Plans for Small Businesses".

You should always seek the advice of your tax professional regarding tax matters.



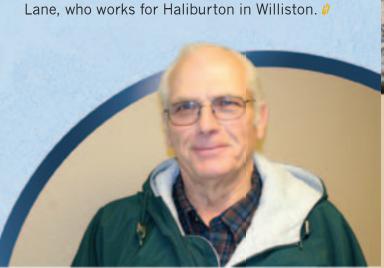
"Looking back, what strikes me the most is how, over the years, everything has just gotten bigger and faster," reflects Maynard Johnson on the years he spent working for the Agronomy Division of Horizon Resources. On December 31, 2010, Maynard retired after spending 21 years delivering fertilizers and chemicals to area farmers.

A Williston native, Maynard grew up in a farming family. He attended a country grade school and then moved to Minot to attend high school at the Cole Lutheran Academy. After graduation, Maynard returned to the Williston area where he farmed and worked at Hardy Salt, which produced salt products.

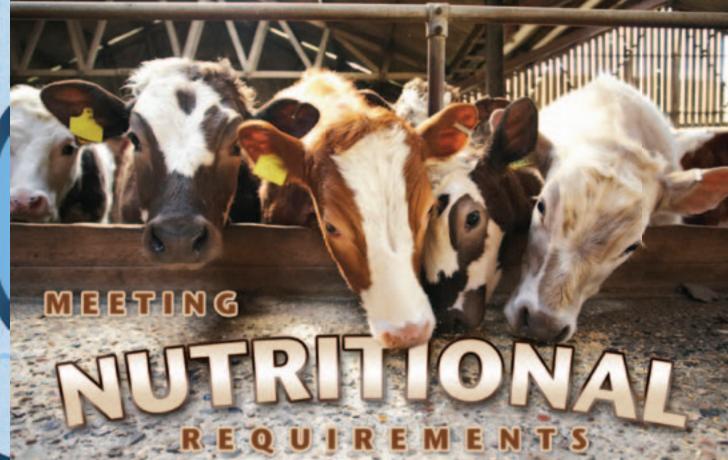
When Hardy Salt closed their doors, Maynard took a position delivering fertilizers and chemicals for Mort's Sales and Service. Mort's was later bought by Farmers Union Oil Company, which later merged with Prairie States Cooperative Terminal to become Horizon Resources.

"What I most enjoyed about my job was working with the farmers," reminisced Maynard. "That was fun."

As to what he's going to do with the free time he now has in retirement, he's not sure. "We're going to play it by ear," he says. "We'll get to spend more time with the grandkids, get to more of their sporting events." Maynard's wife Laurel is also retired, and they have two sons, Leslie, who is a mechanic in Fargo, and Lane, who works for Haliburton in Williston. #







By the time this article comes out, calving should be wrapped up and most livestock will be on summer pasture. Pastures should be in good condition with adequate moisture. I don't think there was much winter grazing being done, considering the winter we had.

Consider a balanced mineral program for your summer supplementation program. I would recommend Ultramin 12-6 for a summer mineral, and Ultramin 12-12 in the fall. Ultramin 12-6 will meet phosphorus requirements in the summer as the grass is furnishing some phosphorus. When the grass matures in late summer or early fall, you will need to supplement additional phosphorus. Additions to 12-6 or 12-12 could be IGR for fly control, CTC for pinkeye and foot rot, or you can add an ionophore for feed efficiency.

As the grass matures, you might also look at supplementing with Smartlic tubs or QLF Range 40 liquid. This will give you some additional protein and a full trace mineral pack, it is also available with IGR.

Supplementing calves on pasture with creep feed is another option for added weight gain, improved mineral status, and improved weaning in the fall. With the market the way it was this year, the heavy calves were bringing a premium. You can expect 60 to 80 lbs. additional gain on a 100 day creep program. Payback creep feed converts at 6 to 1, 6 lbs. of feed to a 1 lb. gain. This will also leave more available grass for the mature cow.

If you are not looking at creep feeding the whole herd, I would suggest you try it on

first calf heifers and aged cows. You will see quite an improvement in the cows condition, better breedback on these age groups by creep feeding their calves.

For all of your livestock supplementation needs, contact your local Horizon Resources dealer.



Dick Sorensen
Feed Consultant
CHS Nutrition

# Oasis In Oil Country

For most of us, it's the middle of the night when the key hits the lock at the Horizon Resources station in Ray. Manager Judy Travis is open for business. "I get here at 4 AM and start cooking and preparing food for the day" says Judy "and I discovered that I may as well open the doors because there is always someone needing something." Nine and a half years ago Judy was hired as manager and has learned the meaning of the word adapt. Recent oil activity has turned what was once a convenience store in a small town into a busy fuel, food, and almost everything else stop along Highway 2, halfway between Stanley and Williston. "We used to average 200 customers a day, now I am sure it is over 1,000 per day on weekdays, and approaching that on weekends, too" stated Judy.

To keep up with the growth, Horizon Resources has added new pumps, a new canopy and is now in the middle of a major remodeling project. This project includes new flooring, new shelving and new convenience counters to help service the increased number of customers. Many of whom are new to the area and brought this rural North Dakota community.

Approaching from the east you can see an oil rig above the signature red and white Cenex logo on the canopy and sign. The rig is just a matter of blocks from town. Rigs like this are as grain elevators once were. Hundreds of trucks rumble through Ray every day and of course that means more business. "Our challenge is to keep up with the growth," shares

Judy. Small towns like Ray also have limited resources when it comes to providing an adequate source of workers for small businesses, but Judy says that even though she could always use more workers, the employees she has are very dependable. "It's kind of rural North Dakota, people work hard out here."

Judy and her husband Darrell live on a farm near McGregor, about 30 miles from Ray. Darrell used to be employed by Haliburton, and the Travis family moved around a lot. Now he's retired and keeps busy running the bowling alley in Tioga. Judy and Darrell have 3 grown children; Jackie (Tioga), Shawn(also Tioga), Todd (Des Moines, Iowa) and Tanya in Williston. Judy kind of chuckles when she talks about their move to rural North Dakota, "The kids used to say, Mom, can we just go to McDonald's for supper. They soon learned that out here there is no McDonalds." When she has time off Judy enjoys every minute with her 9 grandchildren, her garden, and sewing. The Travis' recently sold their horses, which they had for many years.

And the future? "Well I plan to keep working. to Ray by the oil industry that spurns growth in I really enjoy what I do. I work for a great company that treats me well, and of course I like meeting people."

So even though the sign on the door may inform you that the hours of operation are 6 AM to 10 PM daily, know that most mornings as common to the landscape surrounding Ray Judy Travis will be open at 4 AM with a hot cup of coffee and a smile that welcomes you to the Horizon Resources C-Store in Ray, ND, a true "Oasis in Oil Country."

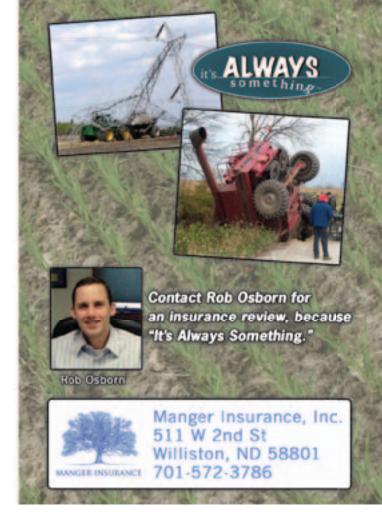
**JUDY TRAVIS** 

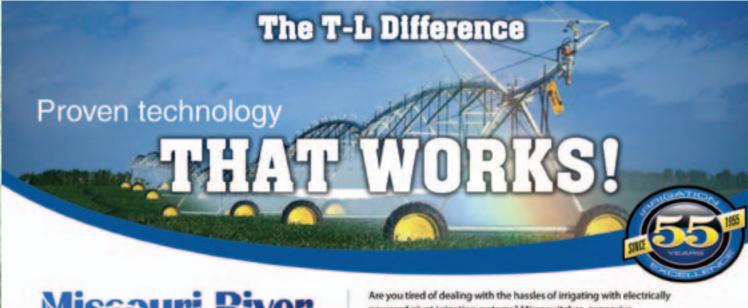




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# FORMO TO RECORD

# of the amount of business that our customers do with us"

This has been a long and cold winter, hasn't it? I sure hope that by the time this issue reaches you it is a lot warmer and our blanket of snow is down to just a light covering. I moved to North Dakota in October of 1989, I remember the first winter and how everybody joked about the snow and the below zero temperatures experienced during a normal North Dakota winter. After living in this region for over twenty years, I believe, I have finally figured out the native North Dakotans threshold, or tolerance level for a bad winter, and I hope we have just left it behind us.

In our last issue, I reported that all indications showed that Horizon Resources was going to complete another financially successful year. I am proud to report that our year was, indeed, a very good year. Our audit concluded in February, overall sales rose from \$161 million in 2009 to \$238 million in 2010. Our local net savings rose from \$3.3 million in 2009 to \$8.8 million in 2010. When you factor in the patronage refunds that we receive from doing business with cooperatives such as CHS, our annual net savings (total) for 2010 is \$15.1 million compared to \$14.2 million in 2009.

This significant increase in sales and net savings was achieved by all locations successfully growing their business base. Our energy division achieved the largest increase

in sales. Primarily due to the tremendous amount of work related to the regions heightened oil activity. The growth in the energy division is even more impressive when you consider the achievement during a period of unprecedented supply terminal outages, combined with supply allocations. As if the allocation and outage periods weren't enough, you must consider the amount of time that is spent in line at the terminal waiting to get loaded. Often times longer than three hours. Word's merely won't express my gratitude to all of our drivers, whether it be the guys driving the semi's, the refined fuel drivers out on a daily basis meeting the needs of our customers, or the propane delivery group fighting the bad roads, crawling over snow drifts, or shoveling their way to get to your tanks to make their deliveries.

Our grain division continues to build their bushels handled in spite of the difficulties that are created by the uncertainties that you, our growers have to deal with in the market place. Watching the grain prices dramatically fluctuate as they have during these past several years combined with the variables that Mother Nature throws at our customers, reinforces the where with all of our regions farmers. Like the employees in the energy division, the people responsible for the

movement of grain within our operations are required to unload or load trucks. They load trains no matter what time of day they arrive, even after they show up as much as a week late from their previously scheduled arrival time. Great job to the entire group in all of the grain locations!

I want to thank our customers for their patience as it relates to the lines at the gas pumps and the sales counters at our retail operations. We certainly are blessed to be as busy as we are even if it gets a little chaotic around here. Many times I think of the saying that I learned from my Dad when I was a kid, "I have been to three county fairs and a circus and never seen anything quite like this." All of the employees in our retail and service shop areas are dedicated and hard working individuals, so I thank you for your efforts.

One must not overlook the accomplished office staff that we have. After all, they are the ones that have to process all of the sales into statements, handle the new account openings and receivables, summarizing it all up into monthly financial reports for the board and management team to review. There are a couple of new employees in the office that have recently joined our company and we are very fortunate that they chose to join the group at Horizon Resources.

Finally, I want to thank the entire agronomy division for completing another great year and the contributions that their efforts add to the success of this company. The winter season is

somewhat of an off-season for our agronomy division. All too soon they will be assisting our growers in preparing for the upcoming planting season.

Whether it is at our Annual Stockholder Meeting or in staff meetings, I often use the phrase that "the level of our success, is an extension of the amount of business that our customers do with us." When you reflect back on this article, it is obvious that it also takes a tremendous amount of teamwork and effort on behalf of our entire employee group to achieve the continued results that Horizon Resource has been achieving.

For a more complete review of our 2010 fiscal year, please make plans to attend our Annual Stockholder Meeting at the Airport International Inn, in Williston on April 21st. Our featured speaker that evening will be Ron Ness. Ron is the President of the North Dakota Petroleum Council.

Thank you for your business and continued support of Horizon Resources.  $\psi$ 

Sincerely,

Jeff Wagner



Jeff Wagner
President / CEO