

Wickman Chemical

Today's lower commodity prices have today's ag producers scrambling to cut costs in order to remain profitable. Here are some ideas to consider in cutting costs without cutting profits:

✧ **Do you really need to own it?**

Let's face it; most people do not like to share equipment. But owning a lot of big specialized equipment is expensive when you consider operating, maintenance, and purchase costs. Consider sharing with a family member, friend, or neighbor. This can decrease your capital expenditures, making equipment costs less painful.

✧ **Tillage or No Till?**

This topic can be argued for days. From a cost-cutting standpoint, no till may be one of the best things going to help cut expenses. You can save up to 3.5 gallons of fuel per acre, not to mention the added benefits of soil conservation, and less compliance issues from the 'dirt police'. A 1,000 acre farm can save you about 3500 gallons of fuel per year.

✧ **Clean up feed lots.**

Every year, thousands of dollars are spent on commercial fertilizer, while the manure pile around the barn grows and grows. By using the manure pile as field fertilizer, you can save up to \$85/acre over commercial fertilizer. On 1,000 acres, that can add up to sizeable savings.

✧ **Use Precision Ag**

GPS technology has been tailored to provide today's farmer with complete views of his fields to see what is actually going on. By using this technology, input costs can be more accurately estimated, saving you money and helping with your crop management decisions.

These are a few ideas on how to cut costs without cutting profitability on your farm. We are always available to help you with any of your chemical or fertilizer needs. Don't hesitate to give us a call or stop in at Wickman Chemical.

Credit vs Finance

Credit is "short term" low or no-cost financing that should be paid in full once a month. We extend credit to those who meet our credit application criteria or have a history of pre-paying for most of their chemicals and fertilizer. Credit works well for buyers and sellers as long as the buyer pays on time. Late payments generally result in finance charges and late fees.

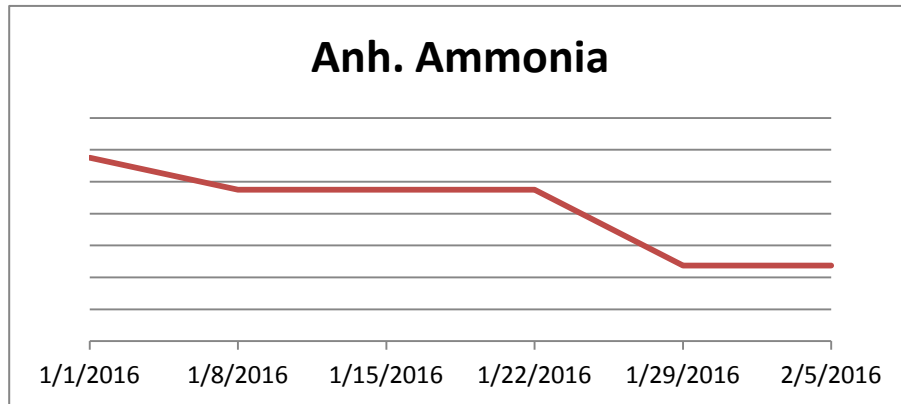
Financing is generally a longer term arrangement that includes a lien on property or a personal guarantee. Most small businesses like ours avoid financing, leaving it to banks, savings and loans, or major suppliers like DuPont's "TruChoice" program.

At Wickman Chemical, we prefer low-risk cash sales but do offer credit to eligible customers. If you have trouble managing your monthly payments, we would prefer that you finance your crops with a bank and pre-pay or pay cash at our business. Wickman Chemical wants to be your low-cost provider; we do not want to be your banker.

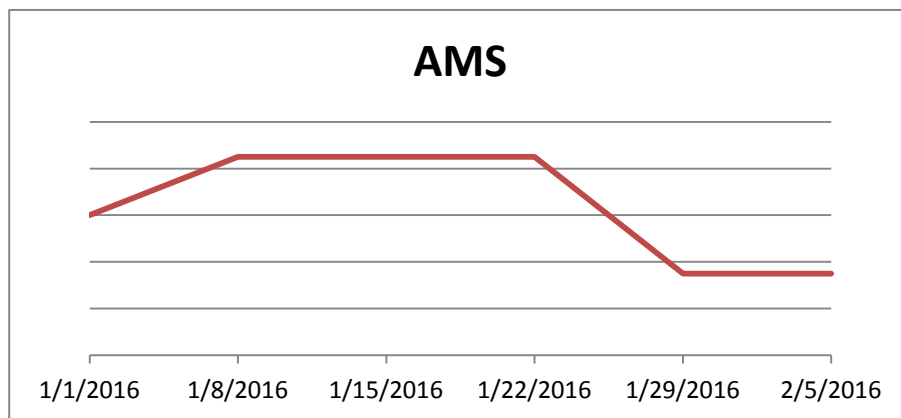
Fertilizer Pricing 01/01/2016 – 02/05/2016

Trends and Recommendations

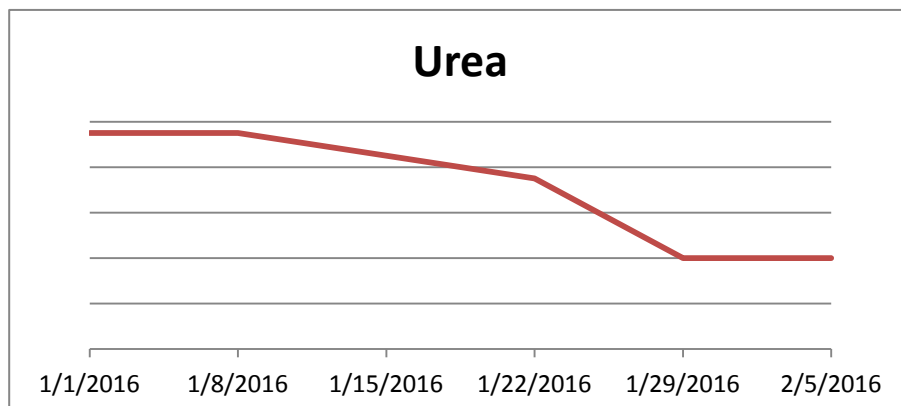
- ✧ **Anhydrous ammonia:** Whole sale costs continue to trend lower – Wait to purchase if possible



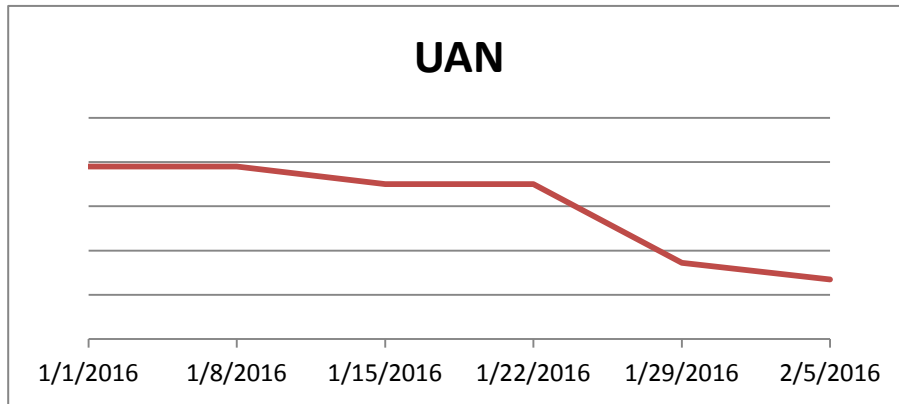
- ✧ **Ammonia sulfate:** Whole sale costs are steady – Buy as needed



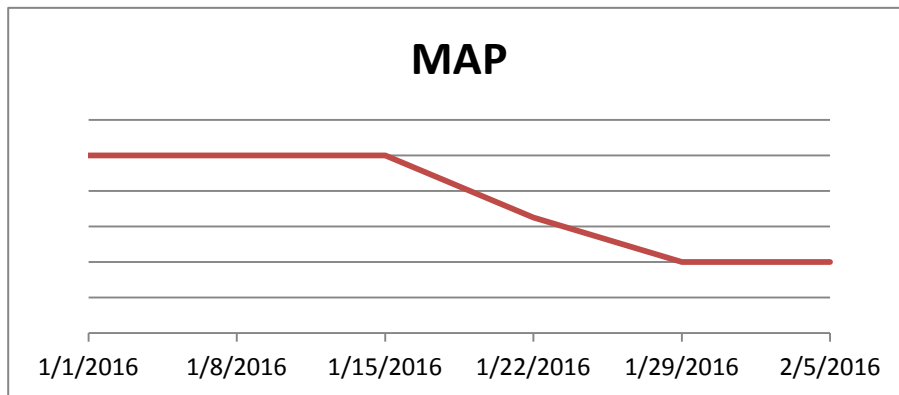
- ✧ **Urea:** Whole sale costs are lower but supply issues may firm retail markets – Cover your needs



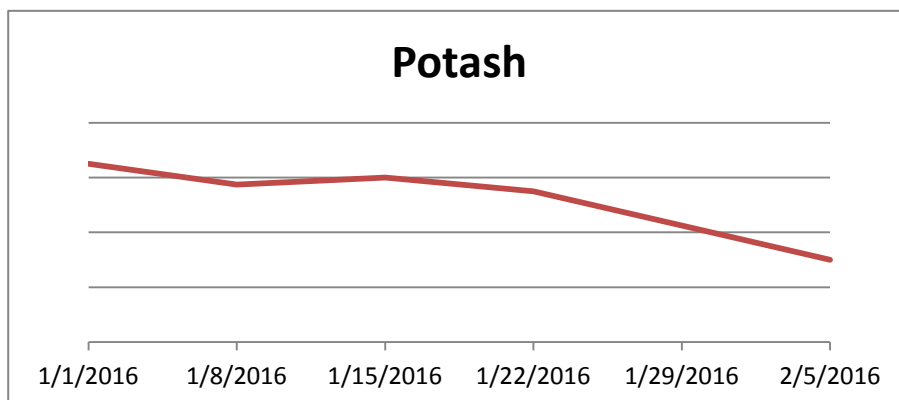
✧ **UAN:** Whole sale costs are down – Cover your needs



✧ **MAP:** Whole sale costs are down – Cover your spring 2016 needs now; Consider covering 2017 needs as well



✧ **Potash:** Whole sale costs are low enough that production cutbacks are eminent – Cover spring 2016 needs now and cover 2017 needs if possible.



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