

Ostrander Farmers Co-op

Ostrander, MN - Established 1910

The Ostrander Farmers Cooperative Elevator and Mercantile Company was formed on May 1, 1910. It was set up for a period of 20 years, with 1,000 shares being offered at \$10 per share. It was meant to serve the townships of Bloomfield, Bennington and Beaver. The Co-op did about \$20,000 worth of business in its first year of operation.



The 1920's brought many changes and growth for the Co-op. Issues such as customer storage disputes, account write-off's and grain bidding price wars were some of the concerns of the time.

The Great Depression of the 1930's made its impact on the Co-op. Dividends of 50 cents per share were still issued, but only if the shareholder's account was current. The General Manager lowered his own salary to help the bottom line and the Co-op opted to perform an internal audit to save money as well. The Co-op filed for a Certificate of Extension of the Corporation for the next thirty years.

During the 1940s & 50's, the Co-op grew and prospered. Larger scales and equipment were installed. The first Co-op owned truck was purchased, with a second one needed soon thereafter. Improvements were made to the bin and building sites.

A feed mill and the lumberyard were purchased in the 1950's. A full time bookkeeper was hired to oversee the business. Grain storage and drying were ongoing concerns and the auditors strongly suggested purchasing a grain dryer to maintain the quality and therefore, the selling price, of stored grain.

The 60's were, at times, a struggle for the Co-op. The Co-op continued its expansion by updating the grain facility with new dryers & a scale and they added a fertilizer plant to the business, which increased employment opportunities in the area. It was also a time of increasing interest rates, from 6.5% to 8.25% over a 4 month span, and a greater number of late book accounts.

The decade of the 1970's continued with some financial challenges for the Co-op with incredibly high interest rates around 13.75% and increased write-off's, yet the Co-op maintained committed to its customers. The Lumberyard division continued to build houses in Ostrander and other construction projects in the local area. The Feed division was steady and the grain division was growing and looking for more storage.

And then there was the Farm Crisis of the 1980's.... The increasing interest rates, higher input costs and lower rates of return created new challenges for the Co-op. Mergers, joint ventures and acquisitions became a way to continue to operate and grow. The Co-op explored these options with other area co-ops. The Lumberyard division was sold to a private individual and a shift in philosophy allowed the Co-op to weather the Farm Crisis and come out in a stronger financial position.

The shift in agriculture from smaller, more diversified farms to larger, more crop oriented farms was a catalyst for the Co-op to explore many options for growth in the 90's. The LeRoy-Ostrander Ag Center was formed through a joint venture with the Le Roy Elevator Co-op and Ostrander. There was talk about merging the LeRoy Elevator Co-op, LeRoy Creamery Co-op and the Ostrander Farmers Co-op, but nothing ever came to fruition. Ostrander purchased the Wykoff & Chester (IA) Farmers Co-op's from an acquisition of Winnishiek Co-op from Northland Co-op during this time. Thermogas was also purchased from Cenex/Land O'Lakes which brought in the addition the LP department.

The advent of ethanol brought its own set of changes and challenges to the industry in the late 1990's & early 2000's. During this time, the Co-op became more of an agronomy / grain / propane focused company.

Over the last 10 years, agronomy equipment, propane trucks, updated facilities & employees have been added to help service the Co-op's growing patron base. In 2008, a new main office was built in Ostrander. In 2009, Ostrander Farmers Co-op added 2.2 million bushels of new grain storage capacity, a 15,000 bushel an hour receiving leg & a 5,000 bushel an hour dryer to help handle the increasingly large annual harvests. They also had just over \$40 million in sales.

