



## DTN PORTAL<sup>®</sup> HEDGING

### All American Co-op

Stewartville, Minnesota

All American Co-op is a full service feed, grain, and agronomy cooperative serving the Minnesota communities of Stewartville, Chatfield, Elgin, Eyota, Viola, Plainview, Kellogg, and St. Charles. It employs approximately 100 people, offered 7.5 million bushels of grain storage, and merchandised 10,000 bushels of corn and 4,000 bushels of beans in 2013. In 2008, company celebrated 100 years of service.

All American Co-op's agronomy division is Progressive Ag Center, LLC, a limited liability company formed with the High Plains Cooperative in Plainview, Minnesota.

#### The challenge

With a small grain merchandising staff, All American Co-op needed a solution to better serve its customers on the overnight trading markets.

#### The solution

To help it better meet the needs of its clients on the overnight markets, All American Co-op relied on the DTN Portal, a centralized offer deck management system. The solution has hedging capabilities that simplify and streamline the management of offers.

The controlled, customizable hedging of DTN Portal offers hands-on and hands-free order routing to match each individual users' needs and processes. The industry's first electronic hedge thresholds allow the agribusiness the ability to pre-determine what size offers it considers a hedgeable quantity.

The hands-free hedging tool provides the ability to submit offers on the overnight market, ensuring hedge orders are placed any time of day or night to reduce risk. Both the hands-free and the hands-on hedging tool allow agribusinesses like All American Co-op to place a hedge order against the producer's offer, ensuring that when the market price hits, both the merchandiser and the customer are locked in on the price.

The DTN Portal includes an improved dashboard that allows agribusinesses to quickly access hedging information in order to do business efficiently. The system provides the industry's first and only tool to automatically aggregate hedgeable and un-hedgeable offers by commodity, offer type, futures symbol, and price. All American Co-op can utilize this aggregated long and short position report, or create customized reports to help it make more efficient hedging and purchasing decisions — as well as one-step actions to affect all the offers in a position (hedge, accept). The system also automatically sends customer notifications through email and text messages once an offer has been accepted and grain has been purchased, streamlining the process.



## The results

"I was hesitant about the hedging, just because there's so many intricacies, but I've been extremely pleased with how DTN has put this together," said Steve Sturm, grain merchandiser for All American Co-op. "It has covered all of the bases and does so much of the 'what about this, what about that' work for me."

Sturm particularly relies on the ability of DTN Portal to accept and hedge offers automatically. "If people make offers at 6:30 a.m., and I'm on my way to work, an offer comes in, the person adjusts it, and it gets hedged and filled before I even get into the office. And you've got to realize I'm only 10 minutes away from work! It does a service to the farmer, because he got his offer filled, and I am happy because I'm not thinking if I had gotten in five minutes sooner, I could have accepted it and hedged it."

Sturm says that the new enhancements to DTN Portal make him and his staff more productive, since the system is always available to customers, even if he is not — and neither its customers or the co-op will miss out on profits.

"It's like having extra merchandisers available to you, especially in the off hours," said Sturm. "I was hesitant about having the computer do some of my work, but my fears were unfounded. When you're having a busy day, the challenge is to keep up with cash grain, let alone the offers. Now the offers are filled."

## The client's view

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