This historical review of Agland, Inc. is dedicated to the many members, past and present, who exhibited the foresight and leadership to build Agland, Inc. into one of the largest farmer-owned cooperatives in the State of Colorado.

Also, a special thanks to Bill McKay, Bob Mekelburg, Mitch Anderson, Judie Lesser, Mark Reinert, Craig Laufert, Art Stuckey, & Dan Beausnails for donating their time to supply needed information to make this booklet factual.

Thanks also to Phil Soreide for the research and time spent to gather the history of Agland, Inc.
A Short History of Agland...

It’s an idea that makes sense.

Businessmen – and farmers are certainly businessmen – band together for their mutual benefit. As a group, they command greater respect. As a group, they have more control over their financial destiny when they sell what they produce, and more control over their operating costs when they buy needed supplies and equipment. And all the while, each individual shareholder is building equity in the corporate entity – as it prospers, he prospers.

Co-ops are not only good business; they’re big business. Today, providing 180 jobs and sales of more than $132 million, Agland, Inc. is one of the biggest economic engines in the region. But that wasn’t always the case.

By 1905, the area around Eaton had been a thriving agricultural region for decades. It was known especially for an ability to produce the popular Neshannock potato in quantities up to 400 bushels to the acre, and in 1904 the district shipped out almost 55,000 tons of them by rail with another 70,000 tons being stored for shipment. A few years later, Weld County would be named the second largest potato-producing county in the nation.

Despite good crops with high yields, potato farmers around Eaton were struggling to make ends meet. They didn’t have to look far to see why: at 56 cents per hundredweight, dealers were receiving half the profit just for storing the crop, finding buyers and seeing the potatoes were properly shipped. For the same 28 cents the dealer got, the farmers bore all the labor and expense of planting, raising and harvesting the crop, not to mention the risk of a crop failure.

Talk began to circulate among farmers in the neighborhood about forming a co-op to get a better deal. They could build their own warehouse and hire their own manager to do what the dealers did. They could buy supplies such as potato sacks in much larger quantities, thereby earning discounts from the suppliers. They could be in charge of their own destiny, and not at the mercy of the potato dealers. It just made sense.

A co-op is born.

On October 21, 1905, 20 Eaton area farmers met and adopted bylaws, and put in $100 apiece for operating capital. They called their organization the Potato Growers Company, because there were no laws allowing them to operate as a real cooperative until the Colorado Assembly passed the State Cooperative Law in 1913 and the federal government passed the Capper-Volstead Act in 1917.

A manager was hired and installed in Eaton, at the heart of the potato belt, was well known for its large potatoes, free of deep eyes and knots. In 1910, Weld County was the second-largest potato producing county in the United States.

In 1905, Agland, Inc. is one of the biggest economic engines in the region. It’s an idea that makes sense. June 30, 2006 marked the end of 100 years of operation for Agland, a claim which few companies of any sort can make. From a simple collective agreement between 20 potato farmers in 1905, Agland, Inc. has grown to five divisions: Agronomy, Feed, Petroleum, TBA and Retail.

Change, which has always been a fundamental part of our history, leads us into our future. Ethanol and bio-diesel, along with ultra low sulfur diesel fuels will make the energy market more complex, but reduce U.S. demand on fossil fuels. Changes in the science of feed are helping our members produce more robust and healthier animals. Competition in TBA and retail will of necessity keep us sharp and focused on the changes those markets require.

As Agland enters its second century, an underlying fact remains: when farmers band together, they command greater respect both in the markets in which they sell, and the markets in which they buy, and greater respect means a better deal at both ends.

In the Agronomy Division, bean handling facilities were repurposed for sunflowers, and in the Feed Division, an upgrade was underway to handle micro feed ingredients for the expanding number of operations in its ration portfolio.

Even as gas prices crept toward $3.00 a gallon, the four Cenex convenience stations continued to increase in sales volume. The TBA Division also recorded a strong year, with increases in rubber prices making recaps an attractive alternative for many customers.

The completion of 100 years of business also marked the achievement of a 10-year board goal. The Co-op had been working towards reducing the members’ equity retirement age to 65, rather than age 72, by retiring additional years when possible. With the payment of three years worth of age equities at the close of the fiscal year, this goal was finally achieved.

A co-op is born.

Then as now... co-ops make sense.
A challenging transition. As Bob Mekelburg stepped down in 2002, Agland faced a number of challenging management transitions. Until Mitchell Anderson took over the reins of leadership as General Manager in 2003. During this period the company was contending with insurance cost increases of 40 percent, a continuing drought and an ag sector with idle farms and reduced livestock numbers. A weak dollar impacted sales abroad, and record fluctuations in oil prices, fuel costs, and grain, feed and forage stocks made for a challenging transition.

Sales in 2004 were off eight percent at $74 million, but aggressive cost-cutting – including 2 years of 10 percent reductions in staffing – allowed the company to finish the year in the black.

The Petroleum Division again had to service the Eaton community, and a high-speed Internet system to service the Eaton community, and a new telephone system.

By the time of the Great Depression, the Co-op was strong enough to survive by lowering salaries and putting a temporary halt to dividends. Growing conditions weren’t as bad in Colorado as in some parts of the country, and expansion continued. In 1936, the cooperative built a new warehouse and office in Eaton, in part to handle a shift away from potatoes, for which demand had dropped, to marketing pinto beans. In 1942, sales hit $1 million.

1940s saw development of bean facilities as well as the addition of equipment for syruping and mixing feeds. When a devastating fire destroyed the grain elevator in 1949, construction on a new, bigger and better one began almost immediately.

A rough patch in the road. At the Co-op’s golden anniversary in 1955, sales hit $6 million, but it was the beginning of hard times for the organization. First, long-time President J. M. Collins died, and Al Epler, who had put in almost 25 years as manager retired. These two men personally embodied much of the faith members had in the Co-op and when the new manager failed to connect with farmers in the same way, membership and loyalty began to slide. When the Board was expanded to five members in 1960, they also had to deal with a big drop in the cattle market, defection of some of their biggest members and a feed operation that could no longer compete with other suppliers on price.

Fortunately, they had an ace in the hole. In 1962, testing began at Colorado State University on the Co-op’s new flaked feed, Red Bird Nu-Flake. The results were more than just promising: cattle fed the new feed ate less, were ready for market earlier, and had a higher percentage of choice and prime graded beef. Soon after, the revolutionary process was being used to produce similar results in lambs and the Feed Division began a long, profitable run.

The Co-op structure evolves. By the mid-60s, the major operations of the Co-op had long since switched from potatoes to beans and feed along with a variety of services and retail enterprises geared toward the ag sector. For years, the character of the Co-op had been shifting away from marketing...
commodities on behalf of the farmer to providing goods and services to the farmer. In 1963 the membership voted to become a “cooperative corporation” and in 1967 the name was changed from Potato Growers Cooperative to Agland, Inc. to reflect the wider interests and progressive vision of the organization.

The 1970s brought the Arab oil embargo, which rocked the entire country, but hit farmers disproportionately hard. Determined to never again be in a position where they were unable to supply gasoline to members, the Agland Board voted in 1976 to merge with Consumers Oil Company of Greeley. This step into the Petroleum Division often leading government at all levels on influencing government at all levels on

Restructuring the company.
Agland’s new market-driven, customer-centered focus led to a complete reorganization of the Co-op’s structure, away from an orientation by product line to one centered on market areas: agricultural, commercial and retail. Whether as a result of this new way of looking at customers or not, sales rose in 1997 to $73 million.

The alliance with Farmland in the joint production of feed for a variety of markets came to fruition that year with the formation of Agland-Farm Land Feed LLC, when Farmland closed its Ault facility and all efforts were focused on Agland’s Eaton mill. The projected efficiency gains and economies had both companies optimistic about the venture.

With the stated intention of “growing with the communities we serve” through further diversification, Agland entered into business ventures in convenience stores and car washes. A joint venture with Clarkstar Ventures LLC resulted in the formation of Peak to Peak Propane LLC to deliver propane to customers from Boulder to Estes Park. A new member-specific

Partly as a result of long-standing cost-containment efforts and partly through the generation of new revenues, Agland had another record year in 1993, when profits reached $1.2 million on sales of over $48 million.

By the mid-1990s, the country had not simply recovered from the brief, but sharp, recession of the early ’90s. It was entering an era of booming prosperity. With a strengthening economy and recovering ag sector, sales rose another 12 percent in 1994, and rose again in 1995 and 1996, although profits declined.

Furthering the trend toward local co-op consolidation, new partnering relationships were developed with the Roggen Farmers Elevator Association and the Wiggins Co-op, resulting in a new pinto bean throughput facility in Wiggins called Wigero.

Restructuring the company.
Agland’s new market-driven, customer-centered focus led to a complete reorganization of the Co-op’s structure, away from an orientation by product line to one centered on market areas: agricultural, commercial and retail. Whether as a result of this new way of looking at customers or not, sales rose in 1997 to $73 million.

The alliance with Farmland in the joint production of feed for a variety of markets came to fruition that year with the formation of Agland-Farm Land Feed LLC, when Farmland closed its Ault facility and all efforts were focused on Agland’s Eaton mill. The projected efficiency gains and economies had both companies optimistic about the venture.

With the stated intention of “growing with the communities we serve” through further diversification, Agland entered into business ventures in convenience stores and car washes. A joint venture with Clarkstar Ventures LLC resulted in the formation of Peak to Peak Propane LLC to deliver propane to customers from Boulder to Estes Park. A new member-specific

Partly as a result of long-standing cost-containment efforts and partly through the generation of new revenues, Agland had another record year in 1993, when profits reached $1.2 million on sales of over $48 million.

By the mid-1990s, the country had not simply recovered from the brief, but sharp, recession of the early ’90s. It was entering an era of booming prosperity. With a strengthening economy and recovering ag sector, sales rose another 12 percent in 1994, and rose again in 1995 and 1996, although profits declined.

Furthering the trend toward local co-op consolidation, new partnering relationships were developed with the Roggen Farmers Elevator Association and the Wiggins Co-op, resulting in a new pinto bean throughput facility in Wiggins called Wigero.

Restructuring the company.
Agland’s new market-driven, customer-centered focus led to a complete reorganization of the Co-op’s structure, away from an orientation by product line to one centered on market areas: agricultural, commercial and retail. Whether as a result of this new way of looking at customers or not, sales rose in 1997 to $73 million.

The alliance with Farmland in the joint production of feed for a variety of markets came to fruition that year with the formation of Agland-Farm Land Feed LLC, when Farmland closed its Ault facility and all efforts were focused on Agland’s Eaton mill. The projected efficiency gains and economies had both companies optimistic about the venture.

With the stated intention of “growing with the communities we serve” through further diversification, Agland entered into business ventures in convenience stores and car washes. A joint venture with Clarkstar Ventures LLC resulted in the formation of Peak to Peak Propane LLC to deliver propane to customers from Boulder to Estes Park. A new member-specific

Partly as a result of long-standing cost-containment efforts and partly through the generation of new revenues, Agland had another record year in 1993, when profits reached $1.2 million on sales of over $48 million.

By the mid-1990s, the country had not simply recovered from the brief, but sharp, recession of the early ’90s. It was entering an era of booming prosperity. With a strengthening economy and recovering ag sector, sales rose another 12 percent in 1994, and rose again in 1995 and 1996, although profits declined.

Furthering the trend toward local co-op consolidation, new partnering relationships were developed with the Roggen Farmers Elevator Association and the Wiggins Co-op, resulting in a new pinto bean throughput facility in Wiggins called Wigero.

Restructuring the company.
Agland’s new market-driven, customer-centered focus led to a complete reorganization of the Co-op’s structure, away from an orientation by product line to one centered on market areas: agricultural, commercial and retail. Whether as a result of this new way of looking at customers or not, sales rose in 1997 to $73 million.

The alliance with Farmland in the joint production of feed for a variety of markets came to fruition that year with the formation of Agland-Farm Land Feed LLC, when Farmland closed its Ault facility and all efforts were focused on Agland’s Eaton mill. The projected efficiency gains and economies had both companies optimistic about the venture.

With the stated intention of “growing with the communities we serve” through further diversification, Agland entered into business ventures in convenience stores and car washes. A joint venture with Clarkstar Ventures LLC resulted in the formation of Peak to Peak Propane LLC to deliver propane to customers from Boulder to Estes Park. A new member-specific

Partly as a result of long-standing cost-containment efforts and partly through the generation of new revenues, Agland had another record year in 1993, when profits reached $1.2 million on sales of over $48 million.

By the mid-1990s, the country had not simply recovered from the brief, but sharp, recession of the early ’90s. It was entering an era of booming prosperity. With a strengthening economy and recovering ag sector, sales rose another 12 percent in 1994, and rose again in 1995 and 1996, although profits declined.

Furthering the trend toward local co-op consolidation, new partnering relationships were developed with the Roggen Farmers Elevator Association and the Wiggins Co-op, resulting in a new pinto bean throughput facility in Wiggins called Wigero.

Restructuring the company.
Agland’s new market-driven, customer-centered focus led to a complete reorganization of the Co-op’s structure, away from an orientation by product line to one centered on market areas: agricultural, commercial and retail. Whether as a result of this new way of looking at customers or not, sales rose in 1997 to $73 million.

The alliance with Farmland in the joint production of feed for a variety of markets came to fruition that year with the formation of Agland-Farm Land Feed LLC, when Farmland closed its Ault facility and all efforts were focused on Agland’s Eaton mill. The projected efficiency gains and economies had both companies optimistic about the venture.

With the stated intention of “growing with the communities we serve” through further diversification, Agland entered into business ventures in convenience stores and car washes. A joint venture with Clarkstar Ventures LLC resulted in the formation of Peak to Peak Propane LLC to deliver propane to customers from Boulder to Estes Park. A new member-specific

Partly as a result of long-standing cost-containment efforts and partly through the generation of new revenues, Agland had another record year in 1993, when profits reached $1.2 million on sales of over $48 million.

By the mid-1990s, the country had not simply recovered from the brief, but sharp, recession of the early ’90s. It was entering an era of booming prosperity. With a strengthening economy and recovering ag sector, sales rose another 12 percent in 1994, and rose again in 1995 and 1996, although profits declined.

Furthering the trend toward local co-op consolidation, new partnering relationships were developed with the Roggen Farmers Elevator Association and the Wiggins Co-op, resulting in a new pinto bean throughput facility in Wiggins called Wigero.

Restructuring the company.
Agland’s new market-driven, customer-centered focus led to a complete reorganization of the Co-op’s structure, away from an orientation by product line to one centered on market areas: agricultural, commercial and retail. Whether as a result of this new way of looking at customers or not, sales rose in 1997 to $73 million.

The alliance with Farmland in the joint production of feed for a variety of markets came to fruition that year with the formation of Agland-Farm Land Feed LLC, when Farmland closed its Ault facility and all efforts were focused on Agland’s Eaton mill. The projected efficiency gains and economies had both companies optimistic about the venture.

With the stated intention of “growing with the communities we serve” through further diversification, Agland entered into business ventures in convenience stores and car washes. A joint venture with Clarkstar Ventures LLC resulted in the formation of Peak to Peak Propane LLC to deliver propane to customers from Boulder to Estes Park. A new member-specific
Regulations and laws impacting the ag sector – including those implemented by the EPA, OSHA, the Department of Transportation and Labor, and the IRS – all began to affect how farmers farmed and how Agland provided materials, equipment, and services. For one thing, it meant that the company would have to make it a priority to keep facilities upgraded. With an eye on its environmental responsibilities, Agland rebuilt the refined fuel tank farm at the Lacerne Bulk Plant. The agronomy facilities were also consolidated, with safety improvements and facility upgrades completed.

Ups and downs.

After hitting a record high just two years earlier, the $4.5 million decrease in sales in 1991 was a shock to Agland’s system. The economy seemed to be in a state of confusion, with fuel prices up 38 percent as a result of the strained economy, beef stock production – in a market flat for live livestock – it wasn’t enough. At Agland, the beginning of the 80s saw a flat livestock market, making it a tough few years for the Feed division.

Confusion notwithstanding, Agland continued to invest in its future, with construction of a new bean receiving pit, leg and storage bin at Eaton, an upgrade of the computer system, a new computerized front-end alignment machine for the Greeley Car Care Center, and new refined fuels and feed trucks. Greeley Car Care Center became the first diesel emissions testing station in northern Colorado, and for several years, was the largest diesel emissions testing station by volume in the state.

A strategic vision.

When Bob Mekelburg assumed the role of General Manager in 1992, he made no secret of his intentions to strategically position Agland for growth, in part by correcting market inefficiencies and insufficient profits. Mekelburg insisted that what was needed was for Agland to become more market-driven, more focused on the customer, the customer’s needs and how Agland was going to satisfy those needs. He also promoted a strategic vision that encouraged the company to improve its market positions through consolidation, acquisition and joint ventures with co-ops and other entities. One of those was a joint marketing agreement with Farmland Industries in feed sales that eventually led to a joint manufacturing venture.

During the 1970s, American farmers had helped India, China, the Soviet Union, and other countries suffering from crop shortages, and had borrowed heavily to buy land and increase production. But the rise in oil prices pushed up costs, and a worldwide economic slump in 1980 reduced the demand for agricultural products. The number of farmers declined as production increasingly became concentrated in large operations; the small farmers who survived had difficulty making ends meet. The recession hit bottom in 1982, with prime farm income levels dropping 30 percent, unemployment at nearly 10 percent, and the GDP down a full two percent.

At Agland, the beginning of the 80s saw the market flat for livestock production – in a strained economy, beef is a luxury – making it a tough year for the Feed Division, the first of many. The bean market was buoyed by sales to Mexico, however, and petroleum volume was up 22.5% over the year before. Keeping up with technology, Agland installed the Farmland Industries Accounts Payable system on a new IBM 8130 computer, while the Petroleum Division experimented with supplying “gasohol”, a new blend of gasoline containing 10 percent alcohol manufactured from agricultural products.

Leaner and meaner.

Agland responded to the “cost-price squeeze” of the early ‘80s by aggressively trying to cut costs and improve efficiencies. The pellet line installed just a couple of years earlier to capitalize on the increased interest in supplements was shut down due to inefficiencies and insufficient profits. Although the Feed Division could now offer members computerized ration formulations and had reorganized the sales force largely hard. With livestock numbers down and significant acreage out of production, fertilizer sales hit their lowest point in years.

Fortunately, the trend toward diversification began at Agland a couple of decades earlier began to pay off. Non-farm sales increased by 50 percent in the TBA (Tires, Batteries and Accessories) Division for both the wholesale tire center and Bandag recap. Construction began on a new convenience store and a remodeling project combined a retail hardware operation with the lumberyard in Eaton. Also remodeled to improve efficiency were the administrative offices in Eaton, with much of the labor provided by employees who volunteered to work nights and weekends on the project.
16th Street Plaza store opens.
The completion and opening of the new gas station and convenience store on the U.S. 85 bypass in Greeley tripled fuel sales from the prior year when the Agland station was located near downtown. Although commonplace, even ubiquitous now, the convenience store-gas pump combination was an innovative concept at the time, and consumers appreciated being able to buy snacks, coffee and other items while they filled their tank. Another innovation was the “Cardtríd” system in Eaton and on the 16th Street Plaza which allowed members to automatically dispense gas and record their patronage. “Pay at the pump” systems are almost universal now, but one of the first in Northern Colorado was at Agland’s Greeley station.

The success of the 16th Street Plaza station and Agland’s diversification into non-farm businesses played a large role in the turnaround that actually began in 1984 but wasn’t apparent until two or three years later. Throughout 1984, ’85 and ’86, Agland continued to make cutting costs and eliminating inefficiencies the order of the day.

Making changes.
Board President Bill McKay, elevated to the post in 1984, noted that, “Anyone involved in agriculture today knows you can’t do things the same way as in the past and survive.” The changes Agland had been making to stay ahead of the curve in technology and business ultimately paid off in 1985 when cash flow improved dramatically and sales and volumes were finally up.

Although the Feed Division continued to struggle – along with the feeders they served – the Bean Division finally enjoyed a good year in 1987, and both Farm and Home and TBA had their second straight year of profitability. A new air flow fertilizer truck was introduced in the Crop Production Division, and with it the Division sold 11,000 tons of fertilizer. The Petroleum Division, which had suffered for years with unstable price and supply, emerged as an operational mainstay for the company, with solid profits supporting other divisions, still besieged by the slowly recovering farm economy.

Despite what was estimated to be a 30-50 percent overcapacity in feed mills, the Feed Division made a strong and successful effort to expand its customer base by entering new markets, including pet stores. It also introduced Agland of the Rockies horse feed which, along with continued cost-cutting efforts, at last returned them to profitability.

Cepex joins Agland family.
As part of the effort to lower costs and improve efficiencies, Agland purchased all of the facilities and equipment of Cepex, a chemical fertilizer manufacturer in Eaton and Johnstown. Although integrating the acquisition into the Agland operation was a big job, it resulted in a 20 percent increase in fertilizer tonnage in 1988 over the prior year.

As the decade came to a close, so did the Cold War the U.S. had waged with the U.S.S.R. and its satellites since the end of WWII. But the euphoria of events such as the tearing down of the Berlin Wall would be short-lived in the international tension and buildup to the Gulf War of 1990.

Despite low commodity prices and an uncertain political and economic environment, the diversification and cost-cutting Agland practiced throughout the ’80s paid off with a 25 percent increase in sales, to nearly $10.2 million in 1989. Higher unit prices for fuel, fertilizer, chemicals, beans and feed grains as well as a higher volume of units sold over the previous year contributed to record high sales.
16th Street Plaza store opens. The completion and opening of the new gas station and convenience store on the U.S. 85 bypass in Greeley tripled fuel sales from the prior year when the Agland station was located near downtown. Although commonplace even ubiquitous now, the convenience store-gas pump combination was an innovative concept at the time, and consumers appreciated being able to buy snacks, coffee and other items while they filled their tank. Another innovation was the “Cardtril” system in Eaton and on the 16th Street Plaza which allowed members to automatically dispense gas and record their patronage. “Put at the pump” systems are almost universal now, but one of the first in Northern Colorado was at Agland’s Greeley station.

Demand for pole frame buildings, which, along with grain handling and storage bins had been a foundation of the Farm and Home Division, slowed and construction crews were eliminated.

Making changes. Board President Bill McKay, elevated to the post in 1984, noted that, “Anyone involved in agriculture today knows you can’t do things the same way as in the past and survive.” The changes Agland had been making in non-farm businesses played a large role in the turnaround that actually began in 1984 but wasn’t apparent until two or three years later. Throughout 1984, ’85 and ’86, Agland continued to make cutting costs and eliminating inefficiencies the order of the day. Although the Feed Division continued to struggle – along with the feeders they served – the Bean Division finally enjoyed a good year in 1987, and both Farm and Home and TBA had their second straight year of profitability. A new air flow fertilizer truck was introduced in the Crop Production Division, and with it the Division sold 11,000 tons of fertilizer. The Petroleum Division, which had suffered for years with unstable price and supply, emerged as an operational mainstay for the company, with solid profits supporting other divisions, still besieged by the slowly recovering farm economy.

Despite what was estimated to be a 30-50 percent overcapacity in feed mills, the Feed Division made a strong and successful effort to expand its customer base by entering new markets, including pet stores. It also introduced Agland of the Rockies horse feed which, along with continued cost-cutting efforts, at last returned them to profitability.

Cepex joins Agland family. As part of the effort to lower costs and improve efficiencies, Agland purchased all of the facilities and equipment of Cepex, a chemical fertilizer manufacturer in Eaton and Johnstown. Although integrating the acquisition into the Agland operation was a big job, it resulted in a 20 percent increase in fertilizer tonnage in 1988 over the prior year.

As the decade came to a close, so did the Cold War the U.S. had waged with the U.S.S.R. and its satellites since the end of WWII. But the euphoria of events such as the tearing down of the Berlin Wall would be short-lived in the international tension and buildup to the Gulf War of 1990.

Despite low commodity prices and an uncertain political and economic environment, the diversification and cost-cutting Agland practiced throughout the ‘80s paid off with a 25 percent increase in sales, to nearly $10.2 million in 1989. Higher unit prices for fuel, fertilizer, chemicals, beans and feed grains as well as a higher volume of units sold over the previous year contributed to record high sales.
Regulations and laws impacting the ag sector – including those implemented by the E.P.A., O.S.H.A., the Departments of Transportation and Labor, and the I.R.S. – all began to affect how farmers farmed and how Agland provided materials, equipment and services. For one thing, it meant that the company would have to make it a priority to keep facilities upgraded. With an eye on its environmental responsibilities, Agland rebuilt the refined fuel tank farm at the Lacerne Bulk Plant. The agronomy facilities were also consolidated, with safety improvements and facility upgrades completed.

Ups and downs.
After hitting a record high just two years earlier, the $4.5 million decrease in sales in 1991 was a shock to Agland’s system. The economy seemed to be in a state of confusion, with fuel prices up 38 percent as a result of the recession gripping the country. Beef stock production – in a market flat for live cattle and swine – it wasn’t enough. The tonnage of feed delivered by Agland’s Feed Division had increased 20 percent, unemployment was up nearly 10 percent, and the GDP down a full 2 percent.

At Agland, the beginning of the 80s saw the market for livestock production – in a strained economy, beef is a luxury – making it a tough year for the Feed Division, the first of many. The bean market was buoyed by sales to Mexico, however, and petroleum volume was up 22.5% over the year before. Keeping up with technology, Agland installed the Farmland Industries Account Payable system on a new IBM 8130 computer, while the Petroleum Division experimented with gasoline containing 10 percent alcohol manufactured from agricultural products.

During the 1970s, American farmers had helped India, China, the Soviet Union, and other countries suffering from crop shortages, and had borrowed heavily to buy land and increase production. But the rise in oil prices pushed up costs, and a worldwide economic slump in 1980 reduced the demand for agricultural products. The number of farmers declined as production increasingly became concentrated in large operations; the small farmers who survived had difficulty making ends meet. The recession hit bottom in 1982, with prime interest rates approaching 20 percent, unemployment at nearly 10 percent, and the GDP down a full two percent.

A strategic vision.
When Bob Mekelburg assumed the role of General Manager in 1992, he made no secret of his intentions to strategically position Agland for growth, in part by correcting market errors he thought had been made in the Feed, Farm and Home Divisions. The former, he noted, had tried to enter the bagged feed market without first having proper distribution; the latter had focused improperly and too long on niche market areas rather than the core business.

Mekelburg insisted that what was needed was for Agland to become more market-driven, more focused on the customer, the customer’s needs and how Agland was going to satisfy those needs. He also promoted a strategic vision that encouraged the company to improve its market positions through consolidation, acquisition and joint ventures with co-ops and other entities. One of those was a joint marketing agreement with Farmland Industries in feed sales that eventually led to a joint manufacturing venture. During the 1970s, American farmers had helped India, China, the Soviet Union, and other countries suffering from crop shortages, and had borrowed heavily to buy land and increase production. But the rise in oil prices pushed up costs, and a worldwide economic slump in 1980 reduced the demand for agricultural products. The number of farmers declined as pro-

Leaner and meaner.
Agland responded to the “cost-price squeeze” of the early ’80s by aggressively trying to cut costs and improve efficiencies. The pellet line installed just a couple of years earlier to capitalize on the increased interest in supplements was shut down due to inefficiencies and insufficient profits. Although the Feed Division could now offer members computerized ration formulations and had reorganized the sales force by specialty – beef, dairy, sheep and swine – it wasn’t enough. The tonnage of feed delivered continued to drop precipitously. In 1983, the company closed the south feed mill and reduced Feed Division staff from 42 to 25.

The recession gripping the country was squeezing the farmer particularly hard. With livestock numbers down and significant acreage out of production, fertilizer sales hit their lowest point in years.

Fortunately, the trend toward diversification began at Agland a couple of decades earlier began to pay off. Non-farm sales increased by 50 percent in the TBA (Tires, Batteries and Accessories) Division for both the wholesale tire center and Bandag recap projects. Construction began on a new convenience store and a remodeling project combined a retail hardware operation with the lumberyard in Eaton. Also remodeled to improve efficiency were the administrative offices in Eaton, with much of the labor provided by employees who volunteered to work nights and weekends on the project.
commodities on behalf of the farmer to providing goods and services to the farmer. In 1963 the membership voted to become a “cooperative corporation” and in 1967 the name was changed from Potato Growers Cooperative to Agland, Inc. to reflect the wider interests and progressive vision of the organization.

The 1970s brought the Arab oil embargo, which rocked the entire country, but hit farmers disproportionately hard. Determined to never again be in a position where they were unable to supply gasoline to members, the Agland Board voted in 1976 to merge with Consumers Oil Company of Greeley. This step into buying and distributing petroleum products would have a profound and lasting effect on Agland, with products would have a profound and lasting effect on Agland, with products.

By the mid-1990s, the country had not simply recovered from the brief, but sharp, recession of the early ‘90s. It was entering an era of booming prosperity. With a strengthening economy and recovering ag sector, sales rose another 12 percent in 1994, and rose again in 1995 and 1996, although profits declined. New ventures included marketing Bandag recaps in Southwest Colorado through a joint venture with Basin Co-op, a new car care center in Platteville and plans for a service station in west Greeley.

Restructuring the company.

Agriculture and urban interests sort out use of land...and water? What does the new “world economy” mean to us?

Partly as a result of long-standing cost-containment efforts and partly through the generation of new revenues, Agland had another record year in 1993, when profits reached $1.2 million on sales of over $48 million.

In recapping the first 75 years, he said it was in the 1960s that Agland Co-op’s character was ultimately established: either expand, and expand ahead of the times, or disband. While conservative growth had characterized the first 50 years, the next 25 saw the company quadruple its business volume and double its facilities, becoming in the process a much more complex organization than the simple co-op at its roots.

For the first time that year, Agland entered into business ventures through further diversification, with the communities we serve” said Jon Ewert, General Manager. Agland acted quickly to shift its inter relationship with the communities we serve”.

Restructuring the company.

Partly as a result of long-standing cost-containment efforts and partly through the generation of new revenues, Agland had another record year in 1993, when profits reached $1.2 million on sales of over $48 million.

In recapping the first 75 years, he said it was in the 1960s that Agland Co-op’s character was ultimately established: either expand, and expand ahead of the times, or disband. While conservative growth had characterized the first 50 years, the next 25 saw the company quadruple its business volume and double its facilities, becoming in the process a much more complex organization than the simple co-op at its roots.

For the first time that year, Agland entered into business ventures through further diversification, with the communities we serve” said Jon Ewert, General Manager. Agland acted quickly to shift its inter relationship with the communities we serve”.

Restructuring the company.

Partly as a result of long-standing cost-containment efforts and partly through the generation of new revenues, Agland had another record year in 1993, when profits reached $1.2 million on sales of over $48 million.

In recapping the first 75 years, he said it was in the 1960s that Agland Co-op’s character was ultimately established: either expand, and expand ahead of the times, or disband. While conservative growth had characterized the first 50 years, the next 25 saw the company quadruple its business volume and double its facilities, becoming in the process a much more complex organization than the simple co-op at its roots.

For the first time that year, Agland entered into business ventures through further diversification, with the communities we serve” said Jon Ewert, General Manager. Agland acted quickly to shift its inter relationship with the communities we serve”.

Restructuring the company.

Partly as a result of long-standing cost-containment efforts and partly through the generation of new revenues, Agland had another record year in 1993, when profits reached $1.2 million on sales of over $48 million.

In recapping the first 75 years, he said it was in the 1960s that Agland Co-op’s character was ultimately established: either expand, and expand ahead of the times, or disband. While conservative growth had characterized the first 50 years, the next 25 saw the company quadruple its business volume and double its facilities, becoming in the process a much more complex organization than the simple co-op at its roots.

For the first time that year, Agland entered into business ventures through further diversification, with the communities we serve” said Jon Ewert, General Manager. Agland acted quickly to shift its inter relationship with the communities we serve”.

Restructuring the company.

Partly as a result of long-standing cost-containment efforts and partly through the generation of new revenues, Agland had another record year in 1993, when profits reached $1.2 million on sales of over $48 million.

In recapping the first 75 years, he said it was in the 1960s that Agland Co-op’s character was ultimately established: either expand, and expand ahead of the times, or disband. While conservative growth had characterized the first 50 years, the next 25 saw the company quadruple its business volume and double its facilities, becoming in the process a much more complex organization than the simple co-op at its roots.

For the first time that year, Agland entered into business ventures through further diversification, with the communities we serve” said Jon Ewert, General Manager. Agland acted quickly to shift its inter relationship with the communities we serve”.

Restructuring the company.

Partly as a result of long-standing cost-containment efforts and partly through the generation of new revenues, Agland had another record year in 1993, when profits reached $1.2 million on sales of over $48 million.

In recapping the first 75 years, he said it was in the 1960s that Agland Co-op’s character was ultimately established: either expand, and expand ahead of the times, or disband. While conservative growth had characterized the first 50 years, the next 25 saw the company quadruple its business volume and double its facilities, becoming in the process a much more complex organization than the simple co-op at its roots.

For the first time that year, Agland entered into business ventures through further diversification, with the communities we serve” said Jon Ewert, General Manager. Agland acted quickly to shift its inter relationship with the communities we serve”.
Shoring up the bottom line.

Despite the negative outlook of the early 2000s, Agland’s Feed Division applied for a patent on a new steam flaking process that gelatinizes a certain percentage of starch in the grain to improve performance in cattle. Dairy producers reported an increase in three to five pounds per head per day in increased yield using the product.

A challenge: The TBA/Bandag Division again had to deal with chaotic market conditions, but investments in Cenex Harvest States and through the cooperative arrangement non-performing assets as well as further staff reductions through attrition. Agland’s alliances with other co-ops also paid dividends, with regional patronages from CoBank, Cenex Harvest States, Land O’ Lakes and Growmark.

The Petroleum Division again had to deal with chaotic market conditions, but investments in Cenex Harvest States and through the cooperative arrangement non-performing assets as well as further staff reductions through attrition. Agland’s alliances with other co-ops also paid dividends, with regional patronages from CoBank, Cenex Harvest States, Land O’ Lakes and Growmark.

A challenging transition.

As Rob Mekelsburg stepped down in 2001, Agland faced a few years of challenging management transition until Mitch Anderson took over the reins of leadership as General Manager in 2003. During this period the company continued with insurance cost increases of 40 percent, a continuing drought and an ag sector with idle farms and reduced livestock numbers. A weak dollar impacted sales abroad, and record fluctuations in oil prices, fuel costs, and grain, feed and forage stocks made for a challenging transition.

Sales in 2004 were off eight percent at $74 million, but aggressive cost-cutting — including 2 years of 10 percent reductions in staffing — allowed the company to finish the year in the black.

Our 99th year.

Business cycles were again moving up as Agland ended its 99th year. Sales had increased by 14 percent to $83 million, and a savings of four percent were realized from steps including closing the Country Store and liquidating non-performing assets as well as further staff reductions through attrition. Agland’s alliances with other co-ops also paid dividends, with regional patronages from CoBank, Cenex Harvest States, Land O’ Lakes and Growmark.

Building and expansion.

The Co-op used some of the money to expand the warehouse and build its first grain elevator, then a second warehouse and elevator in Galespie in 1916. In 1920, the PGC entered into a joint venture with the Board approved development of a lumber yard. Service stations in Eaton and Ault followed not long after.

By the time of the Great Depression, the Co-op was strong enough to survive by lowering salaries and putting a temporary halt to dividends. Growing conditions weren’t as bad in Colorado as in some parts of the country, and expansion continued. In 1936, the cooperative built a new warehouse and office in Eaton, in part to handle a shift away from potatoes, for which demand had dropped, to marketing pinto beans. In 1942, sales hit $1 million.

The 1940s saw development of bean facilities as well as the addition of equipment for syruping and mixing feeds. When a devastating fire destroyed the grain elevator in 1949, construction on a new, bigger and better one began almost immediately.

A rough patch in the road.

At the Co-op’s golden anniversary in 1955, sales hit $6 million, but it was the beginning of hard times for the organization. First, long-time President J. M. Collins died, and Al Epler, who had put in almost 25 years as manager retired.

These two men personally embodied much of the faith members had in the Co-op and when the new manager failed to connect with farmers in the same way, membership and loyalty began to slide. When the Board was expanded to five members in 1960, they also had to deal with a big drop in the cattle market, detection of some of their biggest members and a feed operation that could no longer compete with other suppliers on price.

Fortunately, they had an ace in the hole. In 1962, testing began at Colorado State University on the Co-op’s new flaked feed, Red Bird Nu-Flake. The results were more than just promising: cattle fed the new feed ate less, were ready for market earlier, and had a higher percentage of choice and prime graded beef. Soon after, the revolutionary process was being used to produce similar results in lambs and the Feed Division began a long, profitable run.

The Co-op structure evolves.

By the mid-60s, the major operations of the Co-op had long since switched from potatoes to beans and feed along with a variety of services and retail enterprises geared toward the ag sector. For years, the character of the Co-op had been shifting away from marketing...
A Short History of Agland

It’s an idea that makes sense.

Businessmen – and farmers are certainly businessmen – band together for their mutual benefit. As a group, they command greater respect. As a group, they have more control over their financial destiny when they sell what they produce, and more control over their operating costs when they buy needed supplies and equipment. And all the while, each individual shareholder is building equity in the corporate entity – as it prospers, he prospers.

Co-ops are not only good business, they’re big business. Today, providing 180 jobs and sales of more than $132 million, Agland, Inc. is one of the biggest economic engines in the region. But that wasn’t always the case.

By 1905, the area around Eaton had been a thriving agricultural region for decades. It was known especially for an ability to produce the popular Neshannock potato in quantities up to 400 bushels to the acre, and in 1904 the district shipped out almost 55,000 tons of them by rail with another 70,000 tons being stored for shipment. A few years later, Weld County would be named the second largest potato-producing county in the nation.

Despite good crops with high yields, potato farmers around Eaton were struggling to make ends meet. They didn’t have to look far to see why; at 56 cents per hundredweight, dealers were receiving half the profit just for storing the crop, finding buyers and seeing the potatoes were properly shipped. For the same 28 cents the dealer got, the farmers bore all the labor and expense of planting, raising and harvesting the crop, not to mention the risk of a crop failure.

Talk began to circulate among farmers in the neighborhood about forming a co-op to get a better deal. They could build their own warehouse and hire their own manager to do what the dealers did. They could buy supplies such as potato sacks in much larger quantities, thereby earning discounts from the suppliers. They could be in charge of their own destiny, and not at the mercy of the potato dealers. It just made sense.

A co-op is born.

On October 21, 1905, 20 Eaton area farmers met and adopted bylaws, put in $100 apiece for operating capital. They called their organization the Potato Growers Company, and put in $100 apiece for operating capital. They called their organization the Potato Growers Company, because there were no laws allowing them to operate as a real cooperative until the Colorado Assembly passed the State Cooperative Law in 1913, and the federal government passed the Capper-Volstead Act in 1917.

A manager was hired and installed in charge of their own destiny, and not at the mercy of the potato dealers. It just made sense.

A manager was hired and installed in charge of the potato allotment, and the company was able to formally open for business. By 1910, Agland, Inc. was one of the big economic engines in the region.

In 1910, Weld County was the second-largest potato producing county in the United States. In 1905, Agland, Inc. has grown to five divisions: Agronomy, Feed, Petroleum, TBA and Retail.

June 30, 2006 marked the end of 100 years of operation for Agland, a claim which few companies of any sort can make. From a simple collective agreement between 20 potato farmers in 1905, Agland, Inc. has grown to five divisions: Agronomy, Feed, Petroleum, TBA and Retail.

For 100 years, Agland continues to serve the farmers it was founded to serve. While many things have changed since 1905, the key to Agland’s success has always been its commitment to farmers and the hard work they do.

As Agland enters its second century, an underlying fact remains: when farmers band together, they command greater respect both in the markets in which they buy, and greater respect in the markets in which they sell, and the markets in which they buy, and greater respect means a better deal at both ends.

In the Agronomy Division, bean handling facilities were repurposed for sunflowers, and in the Feed Division, an upgrade was underway to handle micro feed ingredients for the expanding number of operations in its rations portfolio.

Even as gas prices crept toward $3.00 a gallon, the four Cenex convenience stations continued to increase in sales volume. The TBA Division also recorded a strong year, with increases in rubber prices making recaps an attractive alternative for many customers.

The completion of 100 years of business also marked the achievement of a 10-year board goal. The Co-op had been working towards reducing the members’ equity retirement age to 65, rather than age 72, by retiring additional years when possible. With the payment of three years worth of age equities at the close of the fiscal year, the goal was finally achieved.

Into the next century.

As Agland enters its second century, an underlying fact remains: when farmers band together, they command greater respect both in the markets in which they buy, and greater respect means a better deal at both ends.

Then as now... co-ops make sense.
This historical review of Agland, Inc. is dedicated to the many members, past and present, who exhibited the foresight and leadership to build Agland, Inc. into one of the largest farmer-owned cooperatives in the State of Colorado.

Also, a special thanks to Bill McKay, Bob Mekelburg, Mitch Anderson, Judie Lesser, Mark Reinert, Craig Laufert, Art Stuckey, & Dan Beauvais for donating their time to supply needed information to make this booklet factual.

Thanks also to Phil Soreide for the research and time spent to gather the history of Agland, Inc.