

AGRICULTURAL BEET

September 9th, 2021

Southern Minnesota Beet Sugar Cooperative
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2021: Maintaining our Momentum

Thoughtful scalper setting for a crop possessing potential for Controlled Harvest acres:

I have received several shareholder comments on the size and growth of the 2021 crop. Ultimately, these conversations take one of two paths. While some are saying..., "Okay, so when is the cooperative going to come out with a recommendation asking us for a deep scalp?" there are just as many or more stating..., "I think that the cooperative needs to come out with a recommendation mandating an aggressive scalp for this crop!"

We have not harvested enough acres to make a final decision on a Controlled Harvest or if it will even be necessary. Every effort is being made to acknowledge the ramifications of **implementing an acreage-based Controlled Harvest to address a problem that is rooted (pardon the pun) in the potential for excess tonnage.** Using a percentage of your planted acres to adjust for potentially excess tonnage can create a bit of confusion that can influence our ability to make rational decisions in the interest of collective versus individual gain. Thus, we will continue to assess the size of this crop in order to provide the right answer at an appropriate time.

In the meantime, using a modest level of sensible rationalization we can forecast that this 2021 crop has the earmarkings of another successful production season in terms of both yield and quality. **Congratulations on your outstanding efforts.** That said, regardless of Controlled Harvest implementation or magnitude, your factory and personnel are charged with processing all of the beets that are delivered. Therefore, adjustment of your scalper settings during the September prepile season is sensible and recommended. Prepile is a time when you possess both the time and the wherewithal to make adjustments to your equipment that will provide your factory with the most process-able beets possible.

Bottom Line: No matter how you slice it (pardon the pun), removing the lesser-valued crown portion of your beet crop improves factory performance and lowers or eliminates Controlled Harvest acres. Here are a few factors to consider when making scalper adjustments and readjustments during the prepile harvest period...

1. SMBSC data (found below) supports a minimum 0.5" deep (pop can size) scalp on average-sized beets as a good place to start when setting your scalp during the prepile period.
2. Note, the reference to "average sized beets" implies a scalp bigger than a pop can on larger beets.
3. From an economic perspective, reducing delivery of impurities offsets the resulting decrease in root yield to assure that your revenue per acre is NOT impacted (see graph).
4. **It's the right thing to do!** Delivering the best and leaving the rest is the best way to deal with a large crop and potential for a Controlled Harvest.
5. Contact your Agriculturist for questions or assistance.

