Agassiz Valley Grain Expands Storage Capacity

Give or take a million dollars or so, there was about $18 million dollars in crop stored outdoors following the 2017 harvest. There are over two million bushels of corn stored in the new bunker on the left. The tarped bunker on the right is filled with 2016 corn owned mostly by farmers storing it to sell at a later date.

The center bunker holds something in excess of a million bushels of soybeans and has already been brought into the safety of the vertical bins under cover and waiting to be shipped.

By: Gene Prim

The local ag industry is a huge factor in the economic health of this region. Since this area was homesteaded back in the 1880s, farmers have provided the backbone for all local business. That is still true today although the farmers actually working the land are a tiny percentage of farm families that once cultivated the fertile land of the Red River Valley.

While ag is an important part of the economy, making a profit from the land has proven more and more problematic over recent years. To offset depressed prices they receive for their crops, farmers have done everything that they can do to maximize their yields. Through farmer's efforts and with a lot of help from Mother Nature, the growing seasons of 2016 and 2017 have seen bumper crops brought in by local growers.

The huge crops have been good news but that also means that you have to have somewhere to put all of those abundant corn, wheat and soybean yields. For many it has meant on-the-farm storage, selling the crop as the markets improve. For those lacking adequate storage on their farms there are two choices, either sell the crop directly out of the field or store it at the elevator until the crop is sold. Traditionally, elevator storage costs about 5c per bushel per month, or about 60c annually to hold the crop.

Agassiz Valley Grain Terminal, north of Barnesville, ships a lot of grain out of the region. They also store a lot of the various crops for farmers. The 2016 crop year was about as big as we are ever likely to see in the region. It was a perfect year weatherwise and there were huge crops brought in. As the 2017 crop year progressed, it looked like there was the potential for another huge crop.

Most farmers predicted that the crop maturing in the fields would not match the previous year's yields, but they were awfully good, particularly the corn crop. The forecasts proved eventually to be right and it was the second best year ever for many farmers as far as yields.

Members of the Board of Directors of Agassiz Valley Grain in Barnesville tried to look into a hazy crystal ball and it was obvious that more storage had to be provided for a big crop. It was known that most of the on-farm storage was still full of 2016 crop. There was about 1.1 million bushels of 2016 corn already being held in the southeast bunker at AVG. This corn was mostly farmer owned corn being held in storage and it took up an entire bunker.

Even though unit trains moved corn, wheat and soybeans from the terminally regularly, farmers and other elevators were refilling the space as fast as it could be emptied. Well before harvest was even considered, it became apparent that something had to be done if the 2017 crop was going to find a home.

Agassiz Valley Grain is a partnership owned equally by Rothsay Farmers Coop, Kragnes Farmers Elevator, Fergus Falls Farmers Elevator and Archer-Daniels-Midland. That board would change over the coming months as Rothsay Farmers and Kragnes would merge. That moved fifty percent of the ownership to the new coop, Valley Ag Partners. But the merger did nothing to help with the storage problem.

Even as merger talks between the two elevators were on-going, plans were being drawn to expand the storage at the AVG terminal. According to General Manager Dan Noreen, plans began in late spring of 2017 to expand the storage facilities. It was determined that the most economical and best storage would be another outdoor bunker.

The three outdoor bunkers already in place provided for over 2.6 million bushels of grain. That storage included two bunkers located on the south side of the property that would hold 1.1 million bushels each. There was another 450,000 bushel bunker located on the west end of the complex.

The two larger bunkers could be filled automatically by a rapid dump system that transferred crop quickly into a pyramid in the bunker. But both southern bunkers had to be emptied manually. The west bunker was smaller but fully automated. It was connected to the bins in the concrete elevator and also to the natural gas grain dryer. The bin could be loaded and unloaded with grain sent any direction from the west bunker.

The ultimate decision was made to add 1.6 million bushels of storage capacity to the west, automated bunker. Transfer equipment would be erected to direct the crop into the new space west of the existing equipment. The movement of the grain from the new storage into the elevator would be handled by moving the product within the bunker to the existing automated transfer equipment in the west bunker.

Construction on the new 1.6 million bushels of storage began in later summer. The goal was to have the new bunker up and operating in time to handle the corn crop that was likely to flow into AVG in late October and early November.

The new bunker would extend west from the existing pad in an oval formation for 450-feet. The width was 190-feet. When completed the bunker would be configured in such a way that crops could be mixed on the new bituminous pad simply by adding four-foot high steel mesh cross panels to keep the grain from mingling.

Fitzgerald Construction of Sabin set to work on the excavating and formation of a foundation for the bunker in August. By September the actual construction of the transfer equipment would begin as Kava Construction of Fargo took over the site.

The new storage facility went into production in three stages, excavation and foundation, paving and erection of the steel superstructure to transfer the grain and finally the installation of aeration equipment that would blow air through the roughly two million bushels of grain being held in the bunker. The mesh steel panels that hold the grain in place are completely mobile and can be set up in a number of configurations.

It was touch and go as the construction on the bunker and the combining of corn were on a collision course. The bin really had to be completed to take in the 2017 corn crop. The two existing 1.1 million bushel bunkers were already full. The east bunker was filled with 2016 corn that was not going to move any time soon. The west bunker had been filled with 2017 soybeans and then tarped as that huge crop moved across the AVG scales. All of the indoor bins were also filled.

Unit train came and went regularly, some weeks one, maybe two, occasionally three. But as fast as the grain was shipped, more came in from farmers and surrounding elevators. The construction beat the corn harvest but barely. The Kava crews were still making some of the final connections as the corn began to flow into the terminal.

By the time harvest was completed, nearly all of the available elevator space was filled. There were about 4.5 million bushels of corn and soybeans stored outdoors in the bunkers. There were another 1.75 million bushels being held in vertical concrete and steel bins as well as a vinyl covered Quonset building. Total storage capacity at AVG had been expanded to over six million bushels, all full, as the huge 2017 crop year came to a conclusion.

The additional 1.6 million bushel bunker space is more than will be needed in a short crop year. It is barely adequate under the present conditions. It is likely the storage capacity may be used to the maximum as the merger of Rothsay Farmers Coop and Kragnes Farmers Elevator will direct even more of their crop through the facility.

Dan Noreen was the manager of Agassiz Valley Grain when the decision to expand was made. His duties have been expanded in recent months as he has also assumed the position of general manager of the new Valley Ag Partners.

Noreen said of the storage expansion, "The storage needed to be expanded. With the loss of one of the bunkers to long term storage and

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At times the construction of the new bunker was a down and dirty fight with Mother Nature. Heavy trucks slopped their way through mud, slowing progress on the bin site while the calendar kept moving closer and closer to harvest. By September the bunker site was a beehive of activity as foundations were poured and steel erected for the transfer equipment that would move grain from the dump site into the new bunker.

As construction work continued on the new bunker, the last of the available outdoor storage space was being devoted to a huge soybean crop that would fill the existing southwest bunker.

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