



**Ag Partners Cooperative, Inc.**

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## Ag Partners Cooperative, Inc. Update

### Notes from the CEO

By Rod Schroeder, Ag Partners Interim CEO

First, I want to say a big “THANK YOU” for the nice reception I have received from the employees, Board of Directors, and patrons. It has been a pleasure to work with everyone and do my part in helping Ag Partners prepare for the future as best I can as I fill in between your “permanent” CEOs.

Since beginning my tenure, I have had the opportunity to visit all Ag Partners locations. In addition to the warm reception, it was obvious to me we have a lot of dedicated employees working long and hard hours to serve our customers and owners. This dedication is a great cornerstone to build on as we continue to build this cooperative into the “AG PARTNERS OF TOMORROW.”

When I agreed to this interim role, I promised the Board of Directors that I would assess the present state of the workforce, facilities, and their competitive position in the marketplace. I also promised to start the process of improving upon whatever I could during my tenure. Upon starting at Ag Partners, what I found is a bunch of great employees just needing some additional clarity around organizational structure and accountability. It also appears to me that going back many years, the legacy cooperatives that now make up Ag Partners had not kept adequate pace regarding facility consolidations and upgrades with the trends in agriculture, especially transportation, technology, and the consolidation of farmers. In a nutshell, we need fewer, larger, and faster facilities. This will be important to keep in mind as Ag Partners plans its facility investments into the future.

On the organization side, we have embarked on the reorganization of Ag Partners. We are soon to be putting in place the leaders of three regions, and we will then be working to build out the organizational structure for all areas of the cooperative. This will take time and patience, but this will result in an organization that is more responsive, efficient, accountable, and works together well.

On the financial side, many cooperatives had a disappointing year, including ours. A perfect storm of below-average crops in 2018, a compressed agronomy application season, continued pressure on the farm

economy, and some one-time merger costs resulted in a tough year. Although the cooperative had a profit for the year, we suffered a loss from local operations. I must say I am convinced that the decision to merge the cooperatives in 2018 was a good move, as I believe the combined Ag Partners Cooperative will have a much better opportunity to be successful going forward than either of the individual cooperatives would have had on their own.

Due to the local loss in earnings, the Board of Directors has decided to forego a patronage distribution for the 2018-2019 fiscal year. We will, however, be distributing section 199A tax credits to patrons very soon which can be beneficial in reducing your income tax bill. A complete accounting of the financials will be discussed and made available to members at the upcoming annual meeting on January 7, 2020. I want to assure you that the Ag Partners balance sheet is very strong, allowing the Board of Directors to invest in the future and maintain our equity retirement programs as normal.

As far as the new CEO search is concerned, the Board of Directors has hired a search firm that will begin the search effort very soon. Their work is expected to take three to four months, with a new CEO expected to come on board around March.

I want to end where I started, thanking you for the warm reception I have received at Ag Partners. It continues to be a pleasure working with you to work towards creating a stronger, more successful, and sustainable Ag Partners for the future. Feel free to stop in and visit me at the Seneca office if you would like.

I wish you and your family well this Christmas season!

Rod Schroeder

Save the Date!

Ag Partners Annual Meeting

Date: January 7, 2020

Time: 10:30 a.m.

Location: Knights of Columbus, Seneca Kansas

# Department Update

## Energy Update

By Eric Osterhaus, VP of Energy

### Gift Cards for Gallons

Tis' the season for savings and deals. Our customers can earn a \$50 VISA® gift card for every 125 gallons of qualifying high-quality Cenex® heavy duty diesel engine oils, hydraulic fluids, gear lubes and greases you buy between November 1, 2019 and February 28, 2020.

We also have additional offerings of:  
\$100 off the Cenex Total Protection Plan® on new or used qualifying equipment.  
\$100 off per 120-gallon oil tote system or larger.

For more information on our current promotions, please contact one of our team members:

Kyle Hiltibrand: 785-294-0465

Tyler Hiltibrand: 785-294-0770

### Time to Consider Performing Tank Maintenance

It is recommended that all customers perform yearly maintenance on their tanks. All diesel fuels have some water present.

With Cenex® Ruby Fieldmaster and Roadmaster, a demulsifier is included in the additive package. The demulsifier in our diesel fuels separates out the water so that it goes to the bottom of the tank, allowing customers to drain their tanks periodically to keep water out. Also, with the changes in temperatures from the seasons, water can become present due to condensation. By draining your tanks at least once a year, it helps to keep out unwanted microbial growth. It is also recommended to change your tanks filters at least once a year.

### Pre-Pay Fuel for 2020

During the months of December and January are the ideal time to lock-in pricing on pre-pay for fuel in 2020. At Ag Partners, we offer a variety of contracting options that allow our growers to take advantage of maximizing their fuel savings.

Contact Ag Partners today to learn more.

## 2019 Harvest Update

By Lincoln Hillyer, VP of Grain

What a harvest we had this year! Strong yields were welcome across our entire territory after the struggles of the past two growing seasons. This year we had 30 percent more bushels received during harvest compared to a year ago. And most importantly, we accomplished these volumes while doing it in a very safe manner. This was truly a great accomplishment given the number of hours employees spent on the job.

As we move forward, keep Ag Partners in mind when moving bushels off the farm. We offer competitive bids to terminals/processors throughout the trade territory. Also, it is never too early to begin making plans for next year by locking in new crop prices. Ag Partners offers a variety of different types of contracts that help provide value to your operation. Contact the Seneca or Hiawatha offices for more details.

The employees at Ag Partners appreciate the business and support of your cooperative.

## Agronomy Update

By Martin Holthaus, Crop Protection Manager

The 2020 crop season starts now. To kick off the 2020 growing season, Ag Partners has established the "Complete Acre Program" to provide growers with the best local solutions to boost bushels in their fields. Our skilled agronomy team takes pride in doing business based on our core values of honesty, integrity and teamwork, by only recommending products that have been tried and proven to be effective. With the Complete Acre Program, our agronomy account managers work directly with their growers to develop a custom crop nutrient and fertility program that is best for their unique farm acres.

Contact your agronomy account manager to learn more about our "Complete Acre Program" and lock in your crop nutrient and fertility plans prior to January 15, 2020 to receive year-end discounts.



**Ag Partners wishes you a Merry  
Christmas & Happy New Year!**