



www.agritrails.com

Trail Blazer



OUR LOCATIONS

CARLTON

785-949-2222

CHAPMAN

785-922-6505

COUNCIL GROVE

620-767-5105

DILLON

785-366-7228

DURHAM

620-732-3123

DURHAM STATION

620-732-3315

GYPSUM

785-536-4260

HERINGTON

785-258-2286

HOPE

785-366-7213

LINCOLNVILLE

620-924-5228

NAVARRE

785-479-2221

PEARL

785-479-5870

TAMPA

785-965-2221

TAMPA FERTILIZER

785-965-2224

WHITE CITY

785-349-2214

WHITE CITY STATION

785-349-2225

WOODBINE

785-257-3315

SUMMER 2020

Passing on the Benefits to You

By Darel Anderson, General Manager

We were fortunate to hold our annual meeting just days before the pandemic shut things down. Those in attendance heard about a solid year financially, with sales of \$150 million, local savings of \$1.184 million and total net earnings of \$3.4 million.

Members also received their patronage checks, and I would like to expand on the patronage situation here. In 2019, the board chose to pass through our Section 199A deduction to our members who sell grain to the cooperative. Due to changes in IRS regulations and the fact that our fiscal year ends on Dec. 31, we were unable to notify the membership of the amounts to be included on the individual member's 1099-PATR for calendar years 2019.

Financially speaking, this situation is comparable to patronage dividends, which are taxable to the patron when received rather than when the cooperative realizes the earnings. Therefore, the Section 199A deduction you earned in 2019 will now be included and deductible on your 2020 Form 1099-PATR, distributed in early 2021. You will still have the deduction — it is simply delayed by 12 months.

Tying this back to my earlier patronage comments, the deduction passes through a total of \$907,000 to our members. That amounts to an additional 7 cents per bushel of grain — effectively raising grain patronage from 3 cents to 10 cents per bushel.

We also announced who was elected to the board of directors. I thank all of you for your willingness to step up and be involved in leading the company you own. The three directors elected by mail-in ballot were all incumbents: John Calovich, District 1; Gregg Beemer, District 2; and Francis Jirak, District 3.

AN UNPRECEDENTED SPRING

To say this has been an extraordinary spring season is an understatement. As an essential business and member of several rural communities, we wanted to do our best to serve our customers while keeping the health and safety of our patrons and employees front and center. Our goal was to make the best possible decision we could each day with the information we had. I hope we were able to accomplish that.

The pandemic has affected everyone, from the grain/livestock producers to those who saw their off-farm income reduced or cut off. From my chair, I'm thankful to be part of an essential business and living in rural America where we were buffered somewhat from the worst of the crisis. I'm proud of our employees for adapting to a constantly changing situation and getting the job done, and for our customers for your loyalty and patience.

Thanks for your business — we certainly appreciate you. I'm looking forward with you to a return to something resembling normal in the near future. ■



New Bin in Council Grove

The new bin completed just before harvest last fall proved a great asset to Council Grove area farmers and the location staff. Location manager Dan Wainwright notes the bin holds about 180,000 bushels of soybeans or 205,000 bushels of corn. Josh Ehrlich points to a spot that could hold a second bin in future expansion plans. ■

Simple, Affordable, Automatic Yield Maps



By Chase Hageman, Precision Ag Specialist

If precision farming is in your future or something you already do, a yield map is the single most important source of data there is. It is the report card for your current year and the key input to next year's agronomy plan.

FarmTRX™ is designed to measure and display real-time harvest data in the cab. It is perfectly suited for the guy who just wants to get in and get harvest done and doesn't want data collection to get in the way of doing work. Once the flurry of harvest is over, log into your account and everything is there to help make the complicated decisions.

The ease of setup and installation makes FarmTRX ideal for any operation. It takes only a couple of hours if you're handy hooking up wires and drilling a couple of holes. Calibration is straightforward — start a counter running and harvest a known

area. Weigh the output and apply a correction factor to the default value to get the accuracy right. Or, you can skip calibration and make the corrections after-the-fact in the cloud — even if you run with the default values.

FarmTRX makes it easy and affordable for farmers to generate yield maps. The retrofit yield monitor can be user-installed quickly on most combines. The FarmTRX mobile app displays live harvest data and uploads automatically to a web platform. The FarmTRX web app immediately generates high-quality yield maps. You can easily view your yield maps, share them with your agronomist, or export to other farm management software. FarmTRX treats all data as confidential — they do not share or sell your yield data.

Get in touch with me to learn more about FarmTRX and how it can change the way you deal with data. My number is 620-388-4262 or chageman@agritrails.com. ■

EMPLOYEE SPOTLIGHT

Curtis Frick
Durham Location Manager

START DATE: September 1, 1990

HOMETOWN: Durham, Kansas

PRIOR TO AGRI TRAILS:

Curtis farmed prior to joining the cooperative, and also drove a school bus and worked at the Salina sale barn. "When I started here, Roger Will was the location manager and was in the process of moving over to Tampa. So, I asked Stan Utting, the general manager at the time, about the position here in Durham. He said it was mine if I wanted it. I did, and I've been here since," Curtis relates.

FAMILY:

Curtis and his wife, Clara, still live on the farm where his great grandparents started farming in 1883 and where he

grew up. They raised four children and are currently awaiting the arrival of their 10th grandchild. "The grandkids are my primary interest away from work now. The oldest is in junior high so there are more activities to attend all the time.

HIS WORK AT AGRI TRAILS:

"You tend to love and hate some of the same things. You look forward to harvest and once it gets here, you're ready for it to be over. I grew up with a lot of the customers around here, so I've got some good relationships. I just try to serve everyone and take care of their needs the best I can." ■



Trial Shows Impact of Fungicide

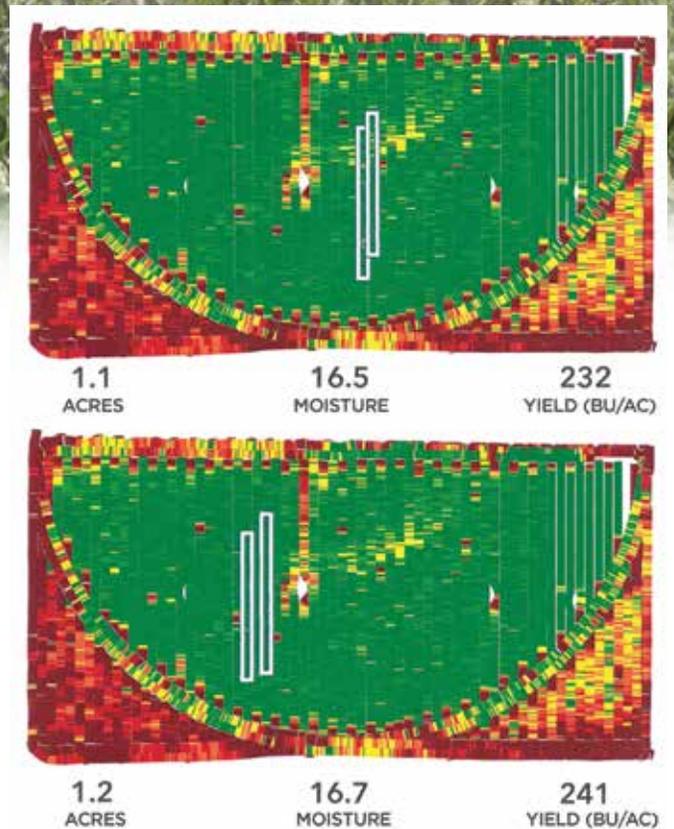


By Steve Charles, Agronomist

Technology continues to change the way we evaluate the effectiveness of ag products and applications. In particular, Climate FieldView™ allows us to more easily compare treatments within the same field by choosing specific applicator passes.

In 2019, we applied fungicide to one area of a corn field at V5 and left a similar area of the same field untreated. We then treated the entire field again at R1. Comparing the results using the FieldView software, we found a positive difference of nine bushels at harvest for the corn treated at V5. We observed better stalk quality and a generally cleaner plant with respect to disease.

We'll be looking at more treatments this year, including a product you can apply at V5 while you're post spraying your corn herbicide. Talk to your Agri Trails agronomist to find out more about the applications we're evaluating. ■



This as-applied comparison shows a 9-bushel difference when fungicide is applied at V5.

Fuel Returning to Tampa



By Roger Will, Tampa Location and Feed Department Manager

When the last service station in Tampa closed, residents were left without a local option to fuel their vehicles. Agri Trails is stepping in to fill the void and will be installing a fueling station just to the east of our seed plant.

Though a firm date for project completion has not been set, property has been acquired and the tanks ordered. When finished, the site will provide 24-hour access to gas and clear and dyed diesel. The site will be able to accommodate everything from cars to combines and semis. Customers can use the same cooperative cards they would use in Lincolnville or Durham as well as the major credit and debit cards.

We're providing this site in response to requests from the community. Our hope is that this will fill a need and community members will make use of this convenient fueling option. ■



DEF Made Simple

In late 2019, Agri Trails upgraded to a bulk DEF system. The new system has provided some exciting opportunities to expand our customer service and better support the varied needs of our owners.

We offer DEF in 2.5-gallon jugs, drums and totes at a very competitive price. If you're interested in the Agri-Trails DEF program or are looking to improve efficiency in your shop, please give us a call. ■



**A REWARDING INVESTMENT.
POWERED LOCALLY.®**

Earn a \$15 Visa® gift card for every 4-10 pack or 35# pail, OR a \$50 Visa gift card for every 120# keg of qualifying Cenex® grease purchased between June 17, 2020 and August 16, 2020. Stop in today for details and to earn gift cards.

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Agri Trails Coop
If you would like to participate in the gift card program or for more information on our grease, please contact J.D. Bahret at 785-258-4239.



New Bean Setup in Gypsum



By Brad Carlson, Agronomist

A new bulk soybean system will make seed treatment easier and more efficient for both location staff and customers. Most of the system is in place, and we've been waiting to move in the final pieces until spring planting wraps up. The new setup also allows for the possibility of future expansion.

There are three bulk tanks in place, each with a capacity of 3,000 units. The treating process will be more highly automated now, which will reduce the labor required while increasing speed and efficiency. It's going to be a great asset for our location and our customers. ■

Time to Fight the Flies



By Mariah Harris, Livestock Production Specialist

When it's warm enough to make you think of summer, it's warm enough for flies to start buzzing around! More than a nuisance, flies can spread diseases like pink eye (face flies), anaplasmosis (horn flies, stable flies), and mastitis (horn flies, stable flies, houseflies) through your cattle herd. That's why it's so important to have a plan to control flies in your livestock.

HORN FLIES

The predominant problem in cattle operations, horn flies, are the costliest external parasite on cattle in North America. The adult is 3-5 mm long with a piercing/sucking mouth which is painful to animals. Adult flies will remain on the animal throughout the day and can be seen on the withers, back and side of cattle. The only time the flies will leave the animal is when they are laying an egg in fresh manure. Both male and female horn flies take blood meals multiple times a day (20-30). Infestation levels can increase rapidly up to 4,000 flies when not treated. Horn flies can decrease cattle's grazing efficiency, reduce weight gain, and suppress milk production.

FACE FLIES

Face flies resemble the common housefly. They are a non-biting fly that feeds on the cattle's secretions. The female face flies cluster around the animal's muzzle, mouth,



and eyes and cause extreme annoyance. Because they favor the face, they can cause pink eye.

STABLE FLIES

Stable flies are blood feeders and are seen mainly on the front legs. Their bites are painful, and animals respond by stomping. These flies can have an impact on weight gain in feedlots and pasture cattle.

Fortunately, Agri Trails handles fly control products that are proven to work. Altosid®IGR is an insect growth regulator that controls horn flies. Feeding Altosid IGR should begin in early spring before horn flies are present. This should be fed throughout the summer and into the fall. Altosid IGR breaks the fly life cycle by preventing adult flies from emerging from eggs laid in manure. Agri Trails stocks minerals with Altosid IGR, so call your local branch for more information regarding which minerals contain this product.

ClariFly® larvicide will control four different flies, including horn, face, stable and house flies. ClariFly also breaks the insect life cycle by preventing adult flies from emerging from the manure. We can add ClariFly to a custom mix for you.

Please contact one of our nutritionists, Derek Schrader, 785-258-0604, or me, 785-643-7181, to discuss fly control options. ■



Producer Financing Options Available at Agri Trails

Agri Trails Coop has partnered with CHS Capital, John Deere Credit and Cooperative Finance Association (CFA) to offer convenient crop input and livestock feed financing. Your local cooperative understands that having access to affordable funds through someone who really understands your business can make your life easier. That is why it makes sense to get your loans right at your local cooperative, saving steps by getting your financing where you do your farm input and grain marketing business.

CHS Capital specializes in crop and livestock operating loans, crop and feed input loans and small convenience credit loans.

CFA offers a broad array of flexible financial products specifically designed for the agricultural industry. They make loans to meet the seasonal borrowing needs of the local farmers associated with member cooperatives.

John Deere Credit offers numerous unsecured loan options ranging from short 90-day, zero-interest loans to longer-term delay payment loans.

CHS Capital, CFA Financing,

John Deere Credit and Agri-Trails Coop share a commitment to helping our farmer-owners' and customers' businesses grow. In an ever-changing agricultural economy, our customers can look to Agri Trails for solutions in financing as well as crop input and livestock needs.

We are dedicated to looking out for your best interests today and in the future. If you're interested in our financing options, call Mike at Hope, 785-366-7213, or Roger at Tampa, 785-965-2221. ■

Navigating an Uncertain Marketplace



By Jake Leis, Grain Originator/Merchandiser

Wheat harvest is quickly approaching and I know everyone is itching to get the grain out of the fields and into the bins where we can reap the benefits of months of hard work.

Thinking about that grain, I want to take a minute to reiterate the importance of having an idea of what your break-even prices are and developing some sort of marketing plan. Having these numbers in place will make you a more successful grain marketer. However, this year has definitely had added challenges that even the best marketing plan could not fully prepare any producer for. From COVID-19 to the trade war that continues to impact the market to many weather issues, it's hard to see any sort of silver lining. So, what do we do? I want to discuss a few different approaches we can take to protect ourselves from uncertainty in the marketplace.

A part of grain marketing that has often been overlooked and undervalued is the simple hedge strategy. When you hedge grain, you are taking a position on both sides of the market. You are both long and short in the marketplace, which allows you to minimize your risk should the market move against you. As producers, you are almost always long (owners of the physical grain). So, while your crop is in the field or under your ownership in the elevator, you want to have an opposite position in the futures market — for example, sell the board or own a put option. This gives you both the long and short side.

If the market moves higher, then your physical grain gains in value. If it moves lower, your short side (futures position) gains value. Therefore, you protect your risk. When you decide to sell your physical grain, you simply lift your hedge (paper position) and offset your positions.

Example: KC Wheat 21

<u>Short Position</u>	<u>Basis</u>	<u>Physical Position</u>
\$5.00 futures (sold)	-50	\$4.50 cash (grain in field)
<u>\$4.50 futures (bought)</u>	-35	<u>\$4.15 cash (sold at harvest)</u>

By hedging at \$5 futures in this example, you added .50 cents to your short side. You sold the cash wheat at \$4.15 and earned .50 cents on your hedge, giving you a \$4.65 final price.

You can also sell your physical grain and buy the board with either a long paper position or a call option. This allows you to stop storage while still participating in the market and provides opportunity if the market rallies.

If the board goes back to \$5, you sell the option and

<u>Long Position</u>	<u>Basis</u>	<u>Physical Position</u>
\$4.50 futures (Buy call option)	-35	Sold \$4.15 cash
<u>Sell option when board rallies</u>	-35	<u>.15 call option</u>

collect the premium associated. This approach gives you a price floor by taking your sell option cost (\$4.15 - .15 cents = \$4 price floor). If the market rallies back to a favorable futures price, you can collect the premium and your sold position gains in value.

These strategies do have cost and you may be liable for a margin call. If you want to learn more about these or other marketing strategies, please reach out to me at the Hope office. Agri Trails is here to help you put all the pieces together from start to finish — planting to harvesting and finally, marketing. We have the team in place to help you and want to be a part of your success and growth.

We are constantly trying to push forward through challenges and look for ways we can help your operation. When you producers succeed, we as a coop succeed. Call me at the Hope office, 785-366-7213. ■



AGRI TRAILS Welcomes ...



KEVIN GENTZ

Start Date: 6/10/2019
Job Title: Truck Driver
Hometown: Hope, Kansas
Interests: 4-wheeling in the dunes. Just bought a new side-by-side



CALEB WHITE

Start Date: 11/14/ 2019
Job Title: Custom Applicator
Hometown: Rydal, Georgia
Interests: Gunsmithing, long-distance shooting, machining



DEVIN HEIER

Start Date: 7/29/2019
Job Title: Tender Truck Driver
Hometown: Salina, KS
Interests: Farming and off-roading



OWEN FASTERT

Start Date: 11/25/2019
Job Title: Feed Truck Driver
Hometown: Rock Rapids, Iowa
Interests: Hunting, fishing, camping, family. Lives with his wife and 4 kids on a 3-acre farm with sheep, goats, chicken and a bucket calf.



DANIEL DURANT

Start Date: 8/26/2019
Job Title: Location Manager
Hometown: Solomon, Kansas
Interests: Coin collecting, spending time with family, working out



RUSS KERBS

Start Date: 3/1/2020
Job Title: Elevator Operator
Hometown: Tampa, Kansas
Interests: Hanging out with his granddaughter



COLE SVOBODA

Start Date: 8/30/2019
Job Title: Truck Driver
Hometown: Ramona, Kansas
Interests: Hunting, fishing and spending time with new bride Montana



KEVIN ANSELL

Start Date: 3/1/2020
Job Title: Elevator Operator
Hometown: Shawnee Mission, Kansas
Interests: Grilling (pork loin a specialty)



SAMANTHA RICE

Start Date: 9/12/2019
Job Title: Store Clerk
Hometown: White City, Kansas
Interests: Camping, fishing, spending time with son Landon and family



JACOB HERREL

Start Date: 3/13/2020
Job Title: Tender Truck Driver
Hometown: Goessel, Kansas
Interests: The natural sciences, helping out on his parents' farm



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Once Is Not Enough

By Derek Schrader, Livestock Production Specialist



Every year prior to pasture season, producers vaccinate their cattle and treat them for both internal and external parasites. These products provide excellent results, but unfortunately provide little, if any, residual protection. Once the protection level starts to drop, insects and parasites begin to re-infest your cattle.

The largest profit robbers in pasture situations are the internal parasites: worms. Worms are ingested as the cattle graze, and as the season progresses, the worm populations grow. Large parasite loads reduce both average daily gain and milk production and can stunt reproductive performance. While we know this re-infestation is taking place, what we lack in most cases

is either the time to retreat or the availability of facilities to perform these tasks — sometimes both.

However, there is a tool we tend to overlook, one that is proven and more convenient than we realize. Safe-Guard® (fenbendazole) has been on the market for years. Safe-Guard gained its fame as an oral wormer. The product works very quickly and has been shown to reduce fecal egg counts by 90%. Safe-Guard can be delivered to the pasture in pellet or block form, eliminating the added time and labor involved in gathering the cattle.

Producers have realized the greatest economic benefit when they provide Safe-Guard 28-30 days after turnout, then every 30 days thereafter for the duration of the grazing period. One worming near the middle of the grazing season is a more common practice and will provide a greater benefit than not worming at all. ■

