

ALLIED

Winter 2017

MINUTE



ALLIED
LLC
agronomy

ALLIED
ENERGY

ALLIED
GRAIN

Letter From the CEO

THANK YOU FOR YOUR
PAST BUSINESS. WE LOOK
FORWARD TO WORKING
WITH YOU IN 2017!



GENE ERPELDING
Chief Executive Officer

As we deal with this cold and snowy winter, plans are underway at Allied for your 2017 crop inputs. Often we look at the almanac or old wives' tales for an understanding of what this type of winter may mean for spring. We too must plan for early or late springs, as each of us have a different definition of how we gear up for the spring season.

Crop nutrient markets bottomed late summer and turned higher quickly as the market identified that new production facilities were not coming online as planned. Many domestic buyers of international product had turned to the United States, but now with domestic production in trouble, buyers are forced to go back out to the world market to find product to meet spring demand. Transit time, from an international port to our facilities, is two months. An early spring may test product availability, where as a late spring supply could exceed demand.

I recently listened to Kevin Van Trump speak on his view of the markets going into spring. He feels we will see some strength in wheat markets with flat oil seed and feed grain markets. Fuels have run up since late fall, leveling off recently. Kevin feels new wells in Texas can pump profitability under \$30 a barrel. He looks for oil markets to soften into spring with crude trading back down into the 30's. Currently it has been trading around \$55 per barrel.

Jeremy is working hard to find the best markets for your grain. We have new crop bids for the hedge able grains, along with sunflowers, durum, flax, peas and many other commodities you may be considering for 2017. Give Jeremy a call for prices on any commodity that you are considering. We are here to work with you on all cropping options.

Having said that, energy markets may soften into spring. This may push demand forward, tightening supplies on the pipeline. As we find soft spots in the market, work with Paul to get your tanks filled before the spring rush. Tires, NAPA® parts and home heating needs and accessories can be found in our Edgeley and Kulm stores. We recently purchased a tire balance for a wide range of vehicle types, including big truck tires. This machine is located in the Edgeley shop. Talk to Joe and line up any tire or balancing needs. As spring approaches, Steve LaVerne and others are here to meet your LP gas needs and install floor heat furnaces and related items.

Allied Agronomy continues to work with numerous companies in order to obtain the best seed genetics to align hybrids to soils, along with building up a nutrient package to optimize production on your farm. R7®, Climate Corp and others have satellites to monitor your crops throughout the growing season. Drone technology is also out there and used by some. We feel that better monitoring is by satellite at this time. We are working with Monsanto® and WinField® to bring you the best insights through their services. Technology is changing the way we do things daily. We will have the best technology available, with the right employees to monitor your crops throughout the growing season.

Allied is always working hard to meet or exceed your needs. Work with our management team or our local field staff to stay abreast of what we can do for you! Thank you for your past business. We look forward to working with you in 2017!

[AGRONOMY]

PRESIDENT'S REPORT



KURT BRANDENBURG
Agronomy Board President

Maximize Your Yields for the New Year.

2 016 was, for the most part, a good year for farmers. The weather was cooperative for excellent growing conditions and the crops that were harvested in the fall reflected that. While yields were excellent for growers, commodity prices remained somewhat turbulent.

Of course, 2017 is a whole new year and prices look to remain lower than desired. When the markets are like this, it's important to control as much as you can early so that when harvest comes, yields are as high as possible.

First, ask your agronomist to test your soil. Soil testing will help determine the proper mix of fertilizer to apply to the crop. This will be good for the health of the crop and could potentially save you money on fertilizer.

Soil testing can also help you select the right crop for the nutrients naturally available in your soil. Growing crops based on the nutrients in the soil provides an opportunity for the crop to perform better without using as much fertilizer.

Another thing that growers can control to maximize yields is weed control. Using appropriate herbicides and keeping an eye on your weeds will help inch up your yield potential. Talk to your agronomist about what herbicides are working for specific crops and about any concerns you have when the growing season begins. They have data from last year and know which products are performing well for our region.

As we enter a new year, Allied Agronomy is here for you. If you need assistance moving commodities, just give us a call. We would be happy to use our trucking to help you move commodities to where they need to be. As always, your agronomist is available for advice or help.

Allied Agronomy is proud to be your company and strives to find new ways to serve our patrons. Thank you for a fantastic 2016 and we look forward to serving you in 2017.



www.alliedag.com

Check out the newly redesigned Allied Companies' website and the all new Allied Grain app.



"I FIND EXCITEMENT IN EVERYTHING FROM MEETING NEW PEOPLE AND TACKLING DIFFERENT OBSTACLES..."

Meet

Paul Ostendorf GM

1 WHAT IS YOUR POSITION?

I am the General Manager of Allied Energy. I started in November, 2016.

2 TELL US ABOUT YOUR PROFESSIONAL BACKGROUND PRIOR TO STARTING AT ALLIED.

I have been in the petroleum/energy industry for roughly 10 years. Prior to joining the Allied team, I spent four years as the energy manager for a Cenex® branded cooperative in west central Minnesota. Before that, I worked for a petroleum transport company.

3 WHAT ARE YOU MOST EXCITED ABOUT IN YOUR NEW CAREER?

I really enjoy the fact of something new; it's exciting and challenging at the same time. I find excitement in everything from meeting new people and tackling different obstacles to bringing my past knowledge into my new location and then merging it with the current way things are running.

4 IF YOU COULD OFFER ONE PIECE OF ADVICE TO PATRONS RIGHT NOW, WHAT WOULD THAT BE?

There are a lot of things in the petroleum industry that I have grown to love and respect. I would offer my simple knowledge and opinion. The petroleum industry is constantly changing, and it's nice having someone in your corner that is knowledgeable in those areas and is willing to help you every step of the way when asked. So feel free to ask questions!

5 TELL US A LITTLE BIT ABOUT YOUR FAMILY AND WHAT YOU LIKE TO DO IN YOUR SPARE TIME.

I am moving here from central Minnesota and will be bringing my family with me at the end of the school year. My wife is a preschool teacher, and both of my children are in grade school.

Even before coming here, my life and "spare time" (which really, who gets that anymore) has always been busy. The time that I do get, I try to spend with my family. I do make time for some vacations, as well as enjoying numerous hobbies that I have, including being outdoors in any way possible.

COLD WEATHER FUELING

As I am writing this, I am staring out the window at near blizzard conditions. The realization is that harvest has wrapped up for the season and winter is upon us. None of us know how wild or how mild the winter will be. With that being said, if you haven't yet, it's time to winterize your diesel fuel. Most of us that use diesel fuel are aware of the issues that cold weather can bring to diesel powered equipment if you are not proactive on the issue.

Most of us have also been there, changing fuel filters, putting additive into tanks or even applying heat to equipment.

TIME TO BLEND

#2 diesel has what is called a cloud point; that cloud point is approximately 14 degrees. If a person is proactive on this issue, they start to blend when the mercury drops down to near freezing. I know from experience that this is tough for some people because when you blend your fuels, you not only pay the higher price at the pump but you also lose performance and M.P.G. The end result of blending fuels or putting anti-gel additives in your fuels for the colder temperatures is a needed task that has to be done for most of us that utilize diesel fuel.

The additives that I would recommend are the Power Service winterizer/anti-gel, Howes conditioner and anti-gel or, for when you are gelled, the Power Service 911.

CONTACT YOUR FUEL ADVISOR

When done correctly, blending your diesel fuels will improve cold weather reliability. Ask the staff at Allied Energy, your local Cenex® dealer, to help you achieve the correct winter blend for your equipment.


For more information, contact the Allied team at Alliedag.com or visit Cenex.com.

PAUL OSTENDORF
General Manager





A Brand New Year



The year 2016 has come to a close, but some of last year's challenges will certainly carry over into the New Year. On the bright side, Mother Nature blessed us with a good growing season as we saw record yields for many crops across most of the region. Late fall rains and early snow cover will set us up for plenty of sub-soil moisture for next year's crop, but at the same time will give us a late start to spring planting. We understand that current commodity price levels will challenge growers on their cropping decisions for next year.

The sales agronomists here at Allied Agronomy are here to help you plan your crop inputs going into 2017. We have the right people, products and tools to help you make those decisions. Stop in or give us a call and we will show you what we have to offer to help your farming operation. Thank you for your past business and we look forward to serving you in the future.



DANA GRAMLOW
Central Region General Manager



REFLECTING ON 2016

As we plan for the 2017 growing season, we must also look back and reflect on 2016 and remember what we learned. We again learned that no two years have ever been the same. In short summary of 2016, Mother Nature was very good to us. There was some unfortunate hail and many drowned out areas in our geography, but overall, there was exceptional growing conditions for all crops this past year.

Most producers were able to attain never before seen yields on their acres, or at the very least consistent averages we have not seen before. Again we learned the value of yield enhancers or protectors, such as seed treatments and fungicides, along with the importance of pre-emergent products for weed control in soybeans. The positive yield differences where fungicides were used on corn and soybeans again showed good, consistent results with increasing win percentages in side-by-sides. The importance of a proven seed treatment to protect against diseases and insects showed increased plant stands and vigor. Pre-emergent herbicide products were a huge importance, as the timely rains kept our crops lush and growing strong. That rain also continued to bring increased weed flushes throughout the growing season.

There was also an in-cab technology piece that showed great value to many farmers in 2016 and that technology is Climate FieldView™. FieldView™ gave us real time field data, including fungicides, corn hybrids, soybean varieties, seed treatments, fertilizer rates and residue management. The ease of using this system made it a huge success for our customers and agronomy staff. The up-to-minute, side-by-side color maps with yield information by soil type makes this technology very user friendly and provides us very accurate information to aid in planning for the next growing season.

These are just a few things our agronomy staff continues to sort through, so we can plan for 2017 and make it a success for our valuable customers. We know 2017 will again be different than last year, so we strive to aid you in any capacity to make sure the year is as profitable as possible. We thank you for the past business and trust you have placed in our staff and look forward to earning that business and trust again in 2017. As always, if there is anything any of our staff can assist you with, please don't hesitate to ask.



JARED NITSCHKE
Southern Territory General Manager

Soil Sample

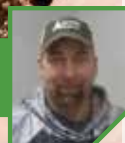
VARIANCES

Looking back on the 2016 harvest, we must be thankful for the tremendous yield that Mother Nature gave us. Although not all producers received this, as hail and drowned out spots affected some growers, for the most part, fall crops were a production success. The biggest surprise in certain areas may have been the soil samples after the big crop. Some of the samples that came in were very high in residual fertilizer, while others were completely depleted. The question is, why the large variance?

After reviewing some of the soil samples, I questioned the linear approach we have taken on fertilization. Seeing corn fields come back with 100 plus pounds of nitrogen left, while harvesting 30 bushels over fertilized rates, a question should come up. Accepting this as just an anomaly diminishes an efficiency opportunity. It has repeated too many times in our samples to ignore.

To understand this variance, we must look into the specific field and the environment that existed over this growing season. For a large area, the spring started dry and potholes were seeded straight through. The soil profile was not saturated, therefore allowing water-soluble nutrients to flow freely. If the soil doesn't have physical limitations (i.e. compaction layer), nutrient rich soil solution moves in all directions. The soil solution was able to migrate nutrients from depths that we have not been able to use for some time. The other factor is the soil microbial activity that makes many nutrient levels available. This organic source of nutrition and rate of release is more difficult to measure than the inorganic fertilizers present. Still, we must study these organic forms of fertilizers and the availability. There is work being done on this side and we at Allied are planning to fine tune fertilizer recommendations to increase grower efficiencies. The agronomists at Allied are continually seeking efficiencies to maximize grower profitability. Some of these efficiencies include variable rate, tissue testing, soil testing, fertilizer placements and soil interactions. I encourage growers to sit down with your agronomists and have discussions about these possible economic efficiencies.

JASON VOLLMER
Northern Territory General Manager



Meet Jeremy Sorenson



1 WHAT IS YOUR POSITION?

I'm the Allied Grain Operations Manager in Barlow and I started November 7, 2016.

2 TELL US ABOUT YOUR PROFESSIONAL BACKGROUND PRIOR TO STARTING AT ALLIED.

I previously managed the barley and malt elevators at Cargill Malt in Spiritwood for eight years.

3 WHAT ARE YOU MOST EXCITED ABOUT IN YOUR NEW CAREER?

The most exciting thing for me is building a one-on-one relationship with our farmers to help them succeed and watch our business thrive.

4 IF YOU COULD OFFER ONE PIECE OF ADVICE TO PATRONS RIGHT NOW, WHAT WOULD THAT BE?

We look for effective communication with our patrons, searching for better ways to align our operation with yours.

5 TELL US A LITTLE BIT ABOUT YOUR FAMILY AND WHAT YOU LIKE TO DO IN YOUR SPARE TIME.

I grew up in the small town of Tuttle, North Dakota. I graduated from the University of Mary in Bismarck. My family and I live in Buchanan. I am happily married to my wife Becky and have two children, Jaden and Brynn. I enjoy hunting, fishing and camping.



Meet *Kim Speldrich*

- 1 WHAT IS YOUR POSITION?**
I was hired for bookkeeping.
- 2 TELL US ABOUT YOUR PROFESSIONAL BACKGROUND PRIOR TO STARTING AT ALLIED.**
I worked at Bessette Motors in bookkeeping for five years and Dakota Growers for five years before that as an Administrative Assistant.
- 3 WHAT ARE YOU MOST EXCITED ABOUT IN YOUR NEW CAREER?**
I am excited to be a part of a company with lots of room to grow and expand.
- 4 IF YOU COULD OFFER ONE PIECE OF ADVICE TO PATRONS RIGHT NOW, WHAT WOULD THAT BE?**
We have a new manager with a lot of great ideas to improve our facility.
- 5 TELL US A LITTLE BIT ABOUT YOUR FAMILY AND WHAT YOU LIKE TO DO IN YOUR SPARE TIME.**
I have two girls, McKayla (16) and McKenna (seven), and Chris McIntosh my significant other. We enjoy UND hockey and ice fishing in the winter, and sprint car races in the summer, along with camping.

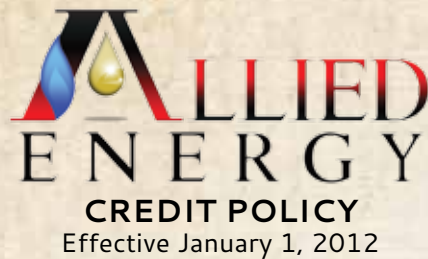


NOTICE OF Annual Meeting

Allied Energy, Inc. will hold its Annual Meeting at 12pm on Thursday, February 16, at Hakuna Matata in Edgeley. For our members in the northern region, a regional business meeting will be held at 12pm on Wednesday, February 15, at the New Rockford Country Club. Absentee ballots may be submitted for election of directors and are available at the main office. Please call Sonny at 701-269-9701 or email sonny.syversen@alliedag.com for more information.

Respectfully,
Bryon Thom, Secretary

Business Meeting
2016 Audit
Election of four Directors
four Directors in the South



1. **No Annual Fee:** No Annual Fee will be charged.
2. **Credit Approval:** A credit department approved credit application is required before charges can be made to an open account.
3. **Terms:** Purchases made during the month are due in full when the customer's credit limit is reached or by the 10th of the month following the month in which the transactions took place, whichever occurs first (such date shall be referred to as the "Due Date"). If an account balance has not been paid within 10 days after its Due Date, then such account will be deemed past due.
4. **Past Due Accounts:** Accounts deemed past due, pursuant to our credit policy, will be assessed a finance charge of 1.5% per month (18% Annual Percentage Rate) on all past due invoices. Allied Energy reserves the right to close a past due account to all future purchases and may demand immediate payment in full.
5. **Payments:** Payments will be applied first to unpaid finance charges, then to the remaining outstanding balance.
6. **N.S.F. Checks:** The maximum allowable fee will be assessed on each returned check/item. Collection action and/or prosecution action will be taken.
7. **Collection:** Allied Energy reserves the right to take collection action at the time after an account reaches past due status. Allied Energy is not bound by any notation of "paid in full" or otherwise that accompanies any payment if the payment is not for the total amount owed at that time. Any agreement for a lesser amount than what is owed must be expressly agreed to by Allied Energy in a written Agreement signed by Allied Energy CEO.
8. **Prepayment:** Customers choosing to prepay for their purchases may do so at any time. Cash will be placed on account on a dollar-for-dollar basis. Prepaying for item specific purchases may allow producers the opportunity to take advantage of a current pricing structure or discounts where applicable. Those producers who prepay for specific items understand prepay pricing is not held indefinitely, and prices are subject to expire at the end of Allied Energys' fiscal year (August 31) or as noted on the bookings, or contract, whichever comes first.
9. **Credit Cards:** Credit Cards will only be accepted for payment of consumer purchases (non-agricultural purchases).
10. **Budget Billing:** Budget billing is available on home heating fuel.
11. **Co-op local Cards:** Co-op Local Cards can be used for fuel purchases at our cardtrol islands where accepted. Co-op Local Card terms are the same as our current Credit Policy.
12. **Bulk Refined Fuels:** Deliveries less than minimum amounts and non-scheduled deliveries after normal business hours may be subject to additional service charges. Out of gas deliveries (propane) may be subject to additional service charges. Unapproved or past due accounts are cash prior to delivery.
13. **Collection Costs:** The customer shall be liable for the payment of all our collection costs, court costs and attorney's fees to pursue payment of your debt in the event that payment is not received when due.
14. **PMSI (Crop Lien):** By using your Allied Energy account, you grant Allied Energy a purchase money security interest (PMSI) in all product purchases through your account, in addition to any proceeds from it. The PMSI continues until the products are paid in full.
15. **Account Disputes:** Disputes must be reported to the main office (701-493-2266) located at 109 Industrial Park, Edgeley, ND 58433 by the 10th of the month following the transaction date.

Our Company views credit as a privilege and not a right.
This policy has been designed to protect Allied Energy and the customers we serve.

The Allied Energy Board of Directors reserves the right to make changes to this policy at any time. Customers with an established account will be notified in writing of such changes at least 30 days prior to the effective date of the change. Allied Energy also reserves the right to delay enforcement of this policy without losing the right to enforce this policy.

Company PROFILE

ALLIED ENERGY, AGRONOMY & GRAIN MAIN OFFICE

109 Industrial Park Suite #1
Edgeley, ND 58433
701-493-2680

CEO, Gene Erpelding
701-830-0115
gene.erpelding@alliedag.com

Controller, Heather Klein
701-709-0524
heather.klein@alliedag.com

**Executive Assistant,
Sonny Syversen**
701-269-9701
sonny.syversen@alliedag.com

**IT & Inventory Management,
Amanda Janke**
701-535-0384
amanda.janke@alliedag.com

**A/R & Collections,
Shelly Anderson**
701-493-3352
shelly.anderson@allieden.com

A/P, Amy Carlson
701-493-3354
amy.carlson@allieden.com

**HR Manager,
Duane Peterson**
701-269-4546
duane.peterson@alliedag.com

**Office Assistant,
Daphne Schlepp**
701-493-3353
Daphne.Schlepp@allieden.com

ALLIED ENERGY BOARD MEMBERS

President – Jay Mathern
Vice President – Blaine Lundgren
Secretary – Bryon Thom
Director – Brian Tjernlund
Director – Brian Schlecht
Director – Dean Land

Director – Jim Holth
Director – Ron Bjur
Director – Steve Moch
Director – Kurt Brandenburg
Director – Neil Veen
Advisoree – Chris Zenker

ALLIED AGRONOMY BOARD MEMBERS

President – Kurt Brandenburg
Vice President – Nick Mathern
Secretary – Ron Bjur
Director – Jay Mathern

Director – Bryon Thom
Director – Bret Kramer
Director – Doug Schmid

ALLIED ENERGY

EDGELEY
Allied Energy
General Manager,
Paul Ostendorf
701-830-0421
paul.ostendorf@allieden.com

C-Store
701-493-2211

NAPA, Doug Wald
701-493-2558

LP & Shop, Joe Weigel
701-493-3365

**LP Delivery,
LaVerne Anderson**
701-709-0128

KULM
Fuel/NAPA
701-647-2306

Shop, Josh
701-647-1967

ALLIED AGRONOMY

Southern Territory
General Manager,
Jared Nitschke
701-830-1911
jared.nitschke@alliedag.com

EDGELEY
701-493-2268
Sales Agronomist,
Jerad Cook
701-830-0806

KULM
701-647-2307
Sales Agronomist,
Nathan Elhard
701-830-0730

JUD
701-685-2634
Sales Agronomist,
Dallas Koplin
701-830-0238

GACKLE
701-493-3332
Sales Agronomist,
Andrew Gegelman
701-659-1126

**Allied Agronomy Equipment/
Operations Manager**
Gary Olson
701-952-4494
gary.olson@alliedag.com

ALLIED GRAIN

CEO,
Gene Erpelding
701-830-0115
gene.erpelding@alliedag.com

BARLOW
Location Manager,
Jeremy Sorenson
701-650-7370

JAMESTOWN
701-493-3343
Central Region General Manager,
Dana Gramlow
701-830-9729
dana.gramlow@alliedag.com

Sales Manager,
Allen St. Michel
701-320-1758

Sales Agronomist,
Scott Gust
701-830-2113

Sales Agronomist,
Alex McInnes
701-368-9173

Precision Ag,
Luke Ziegelman
701-830-0300

BARLOW/BREMEN

Northern Territory
General Manager,
Jason Vollmer
701-650-7371

Sales Agronomist,
Trygg Olson
701-652-5021

Sales Agronomist,
Morgan Hanson
701-350-1457

SHEYENNE
701-996-2231
Sales Agronomist,
Mason Keefauver
701-830-0223

Abbey Fick
701-493-3343
abbey.fick@allieden.com



Presorted Standard
U.S. Postage Paid
Presort Plus, LLC

109 Industrial Park
Edgeley, ND 58433
701-493-2211

