

Spring 2020

Connections

Central Farm Service



**Defining
Success**

**Sell While You
Plant**

Data that Works

TRUSTED SERVICE.COOPERATIVE VALUE.

When you're a Co-op Owner



You Own Everyday

As a cooperative owner, you own a world of opportunities powered by local expertise. You gain more options and more value with access to global markets and a powerful supply chain. And you can do more every day using inputs delivered by local cooperative employees who know what you need, when you need it.

WE REMAIN COMMITTED TO YOU



Merlyn Kruger, CEO



As COVID19 continues to ripple across our country, we are focused on the health and safety of our employees, customers, and the communities where we live and work. As we seek out new ways to conduct business, please note that our commitment to you has not changed. Our employees and facilities continue to deliver feed, propane, fuel, market grain, and provide products for spring fieldwork. We are taking precautions to ensure that all these items are done with everyone's health and safety being top of mind.

As a business that is recognized by state and federal officials as essential and critical to the country's infrastructure, we remain focused on the safety of our customers and employees and on ensuring you can access the products and services you have come to count on. We remain committed.



During these unprecedented times, we are being faced with significant challenges the pandemic is causing in our trade area, the country, and the world. This global pandemic certainly has turned your world and ours upside down, but we know that if we continue to remain focused on you and the service we provide and you expect, we will be stronger, and we will get through this.

We remain optimistic that Mother Nature will bless us with good planting days like we have today and a great crop season. We certainly deserve one. We have all experienced the good times and the struggles in agriculture, but as I keep saying, we are now experiencing an uncharted territory. As always, we must strive to learn from these difficult times, and trust things will get better. We will get through this together, and all of us at CFS are here to help!



If there is anything we can do to support you and your farming operation, please don't hesitate to contact us. We remain committed to our customers, employees, and the cooperative way of doing business. Thank you for your business and support. Take care of yourselves and your families.

In closing, thank you and stay safe and healthy!

Sincerely,

Merlyn Kruger

Grain Update

Dennis Inman, Vice President of Grain



*"we are adding
adaptability to our
daily lives"*

Our last couple of grain update articles have talked about the changes that we've made and the challenges of implementing those changes. As this article goes to press amid the Covid-19 pandemic, we're now adding "adaptability" to our daily lives.

Fortunately, we have a long history of adapting to changes in the flow of grain, and we have a well-diversified portfolio of assets and destination markets to accommodate those changes. We'll use this article to update you on what we're seeing so far in terms of trade disruptions as well as updating you on how the grain strategy we implemented in early 2019 is working.

Trade Disruptions

Even before the pandemic, the ethanol industry was struggling with poor margins as a result of relatively low crude oil prices, ongoing trade tensions with China, and small oil refinery exemptions from ethanol blending. With poor margins, the plants were more apt to slow down production than pay up for corn. When the pandemic hit, it resulted in a near-immediate reduction in driving and the fuel consumption that goes with it. Once that happened, the entire system backed up, ethanol storage quickly filled, and plants have been forced to stop producing because there is nowhere for the ethanol to go. So even when the plants restart, we'll still be dealing with a built-up supply of finished ethanol and corn that was previously purchased. The closing of ethanol plants has resurrected the value of the shuttle train loaders in St. James and Welcome. We've already sold a few summer trains for those locations and likely will ship more. Basis levels will probably be somewhat depressed through the summer without ethanol demand for corn in the mix. With the closing of ethanol plants, we're also seeing a change in feed formulations with dried distillers' grains (DDGS) being taken out of the rations. This shift has slightly increased corn demand for feed and created a need for additional soybean meal. The increase in soybean meal usage is keeping soybean basis levels strong and helping us with backhauls of soybeans with our company trucks.



*"The theme of change
will continue "*

Lastly, on the trade flow changes, we're seeing an uptick in exports as lower prices and port disruptions around the globe have made U.S. commodities a bit more competitive. While last year we had a huge summer of train shipments out of Randolph because of river flooding and poor exports, we most likely will see more grain move to the river out of that area this summer.

Strategy Update

We're now almost 18 months into our strategy of revamping our grain business to adapt to the pre-pandemic changes the industry was facing. The positive news is that our strategy of streamlining and cost reductions is more valuable than ever in a post-pandemic world. Even with one of the wettest corn crops in recent memory, our strategy of taking a handful of smaller, older dryers out of service worked out well. We were able to keep the doors open every day to receive wet corn and were able to stockpile and carry wet corn well into the winter months with very few issues. We transferred a little more wet corn for post-harvest drying at other locations than we hoped, but overall the decision to carry wet corn worked exceptionally well. Our biggest challenges this past harvest were in Hayfield, Kenyon, and Randolph, although we didn't transfer in wet corn our drying capacity and wet corn storage were maxed out.

As reported in our last newsletter, we also piloted the use of migrant labor for part of our harvest labor force, and we couldn't have been happier with the results. We discovered a few things to adjust for next year but found the eight we had from Mexico to be excellent workers that fit in well with our full-time team and customers.

We have made a few adjustments to our "call before you haul" strategy with a few locations having gone to scheduled days of the week to be open. Once the dust settles on the pandemic disruptions, we'll plan to make some additional changes. Our intent will be to be open when you need us to be but also efficient as you should expect as owners of the cooperative.

Although not specific to the strategic changes we've been making, we did complete a post-harvest debrief that included feedback from customers large and small. The outcome of that gave us a list of improvements we need to make going forward. Along with a few location-specific operational items, we also highlighted several areas of communication improvements, including phone routing, posting of unloading hours, and other challenges that came with our shift away from individually operated locations. Look for more changes and improvements in the months ahead.

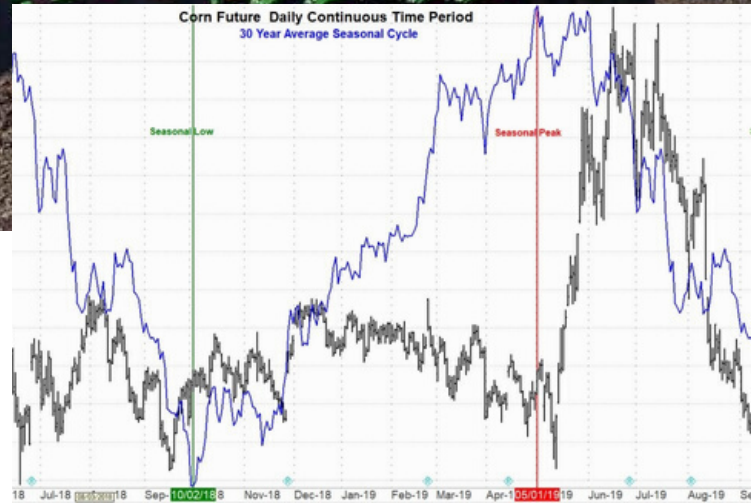
In closing, the pandemic won't last forever, and our world will begin to settle into a new routine, but it's not likely to go back to the way it used to be. The theme of change will continue. We're learning a lot about how we can operate in our current environment, and we'll use this to change and adapt as we move into a post-pandemic world. We'll be better as a result.

SELL WHILE YOU PLANT

Racquel Walters, Grain Marketing Advisor



As the days begin to get longer, the snow cover melts, a long winter draws to a close, and once again the seasons shift, bringing a much-awaited spring. Spring, just like any season in farming, brings a unique set of challenges. Some of these challenges can facilitate opportunity, and with the rush to get product and machinery staged for planting, it is essential to keep grain marketing at the forefront of your daily tasks. One of the most prevalent challenges of spring can be the weather. When it comes to planting, time is of the essence, and if the weather isn't favorable for planting, markets often react swiftly. Weather markets can be influenced by local, national, or global weather conditions. Keeping a keen eye out for what's happening during planting season can often provide a window for making some risk management decisions. Another component to consider is "seasonality." Seasonality is the phenomenon that causes crop prices (including cash, futures, basis, option volatility) to behave in a relatively predictable manner, year in and year out.



Generally speaking, in the spring/early summer months, December corn typically performs better than waiting until new crop delivery to price bushels. The same could be said for soybean markets mid-summer compared to November. Taking advantage of these spring/ summer market rallies can provide profit as well as eliminate the risk of having to market your corn at the mercy of harvest prices. Pictured below are seasonal charts for both corn and soybeans. With all the hustle and bustle that comes with spring it is hard to keep an active pulse on the grain markets. Rallies come and go quickly and are often seen in the over-night sessions. It is important not to let spring planting force you to put marketing on the "back-burner." Placing target offers can ensure you don't miss an opportunity to sell your grain on the rally. Target offers work electronically in the day and night sessions and can remain in place for as long as you like. Placing multiple targets at different price points can also help you capture the market as it rises.

At CFS our team of Grain Market Advisors work full time to provide you with a full spectrum of tools and services. From current market conditions and commentary, to specialized contracting and personalized marketing plans, we are here to provide you with the knowledge and tools to make informed decisions.



Agronomy Update

"The resilience of our industry never ceases to amaze me" - KC Graner, SR VP Agronomy

KC Graner, SVP of Agronomy

Resilience. The resilience of our industry never ceases to amaze me, yet at the same time, knowing what is in the DNA of CFS patrons and employees - resilience is not a surprise! The last time I wrote an article for this publication was August 2019, and we were still fresh off a historically difficult year for which the reasons I do not need to elaborate anymore. Here in March 2020, we are thus far encouraged by what mother nature may offer us for the weather! Nonetheless, our resilience will still be hard at work, given the challenges with markets, economics, and the COVID19 situation.

There are a few things I'd like to address briefly. What a blessing it is for CFS to have the storage capabilities it has. Courtesy of the investments the CFS (and legacy) boards have made over time, we can consistently procure and warehouse the products our patrons need at favorable times and with favorable security. Whether the issue is river flooding, atypical markets, or a pandemic - this storage capability offers a tremendous value for all CFS stakeholders - and it sure lends a helping hand to our resilience! "Possession is 9/10 of the law" is a rule of thumb we go by in agronomy, and I am confident to encourage all our patrons that CFS is here through any challenge to meet your needs.

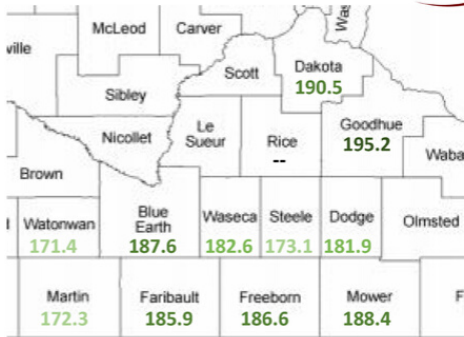
The winter months offered time for our team to continue to hone our craft to bring our 'best game' to our patrons. CFS staff engaged in countless training activities - everything from agronomy principles, precision, customer applications, standard operating procedures, leadership, cross-divisional capabilities, to the ERP systems we use to track our business. This training investment is something we take pride in, we want to continue to be the team that can be relied on for its resilience to get the job done well for you. As of the last week in March, many of these trainings are already proving their value as we develop deeper contingency plans to be ready for potential COVID19-induced issues.

Speaking of COVID19, I want to assure our patrons that CFS has primary, secondary, and tertiary plans to handle issues that may arise. We are prepared. We will be there for you. We, along with you, will exhibit the resilience we all harbor! While we might get tossed a curveball or two, it is nothing we are not willing or able to take a swing at on your behalf.

The intricacy and evolution of American Agriculture sure haven't slowed down. It is keeping us on our toes. Comprehensive changes continue to happen, and CFS is continuously humbled to be allowed to show its resilience through those changes alongside you and to earn your business each year. On behalf of CFS Agronomy, thank you for your business!

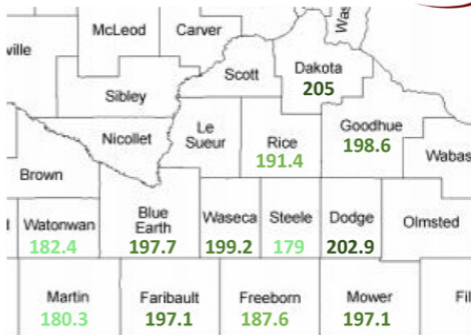
2019 County Corn Yields

Blue Earth: 178,709 acres
Dakota: 82,248 acres
Dodge: 99,744 acres
Faribault: 204,385 acres
Freeborn: 170,494 acres
Goodhue: 147,284 acres
Martin: 209,894 acres
Mower: 186,324 acres
Rice: N/A
Steele: 85,261 acres
Waseca: 104,067 acres
Watsonwan: 111,774 acres



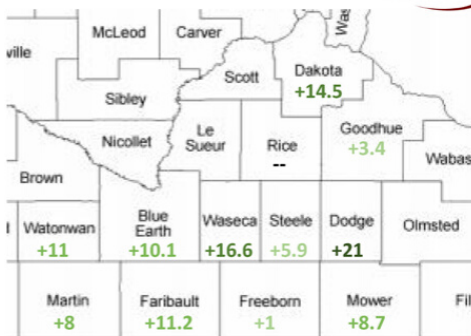
2019 CAGS Corn Yields

Blue Earth: 4,591 acres
Dakota: 1,752 acres
Dodge: 11,356 acres
Faribault: 11,115 acres
Freeborn: 22,506 acres
Goodhue: 2,616 acres
Martin: 5,606 acres
Mower: 17,176 acres
Rice: 5,959 acres
Steele: 20,039 acres
Waseca: 9,033 acres
Watsonwan: 9,826 acres



2019 CAGS Corn Yields

Blue Earth: 4,591 acres
Dakota: 1,752 acres
Dodge: 11,356 acres
Faribault: 11,115 acres
Freeborn: 22,506 acres
Goodhue: 2,616 acres
Martin: 5,606 acres
Mower: 17,176 acres
Rice: 5,959 acres
Steele: 20,039 acres
Waseca: 9,033 acres
Watsonwan: 9,826 acres



2019 Corn

	2019	2018	2017	2016
CAGS Acres	115,616 Acres	126,626 Acres	127,729 Acres	136,505 Acres
County Acres	1,580,184 Acres	1,713,075 Acres	1,885,318 Acres	1,939,595 Acres
CAGS Yield	191 Bushels	190.3 Bushels	228.4 Bushels	211.5 Bushels
County Yield	183.6 Bushels	176.6 Bushels	210.9 Bushels	196.9 Bushels
CAGS over County	+7.4 Bushels	+13.7 Bushels	+17.5 Bushels	+14.6 Bushels

Data That Works

Ashley Boehnke, Precision Agronomy Territory Lead

Right now, possibly more than ever, we are using data to inform our decisions on a global front. COVID-19 has doctors, scientists, and expert analysts tracking its origin, its movement, and its effect. Whether you agree with the decisions being made here at home in America or abroad, there is no denying that data and technology are driving these decisions that are impacting the life of each person. Maybe it's the data nerd in me, but among all the uncertainty, I have found it interesting and inspiring to read about how information is put to work to drive safety measures, build new and creative PPE options, and discover and test different possible treatments or courses of action. One thing that resonates with me while all of this unfolds- there is a difference between good data and bad data, and we must be careful to identify it.

Something Central Advantage always focuses on after all the harvest files are collected is filtering out the good data from the bad. It could have been a poor combine calibration, a hail or huge weather event that skews the results. We must be aware of these things so that when it comes to analyzing and making decisions on the farm, we are doing so with the purest numbers available. We are here to help you use your data to increase fertilizer levels where we know we will see a positive ROI, to identify the right populations for each hybrid you choose to plant, and to help spend your nitrogen and fungicide dollars wisely where we will see a response- all based on the most local, GOOD data we can bring you.

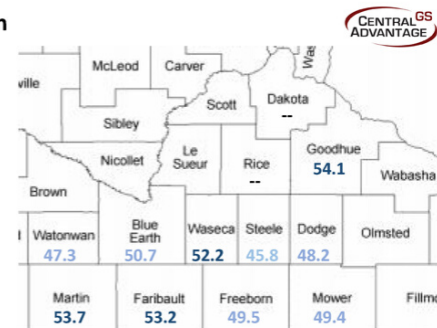
Central Advantage is built on a foundation of data. Thanks to our many operations that believe in the power of this data and anonymously share their information every year to inform our local, relevant database. In recent years, we have been tracking our Central Advantage grower performance versus the USDA county average data here in southern MN. We believe it is by properly utilizing the information in the program, from our growers' own farms and paired with the local knowledge of our agronomic advisors that we have managed to continuously see a higher average yield vs. the county numbers. Even in a year like 2019, with such later planting and a wetter and cooler summer, our growers are more than paying for their investment in data. It's not about just paying for information, it is about using that information to make changes, or double down on practices that are working. We can prove that with data.

I am a big fan of controlling what we can control. There is so much that is out of our hands right now but preparing and executing on our plans made this winter for the 2020 crop year- that we can control and see through to the end. We made those plans based on the best possible data available to us. One of the poorest choices we can make is to ignore the data. There are answers in data, there are lessons in data, there might even be problems to be discovered when we look at that data that we would have otherwise not picked up on.

No one knows yet how or when the chapter on COVID19 will end. But when it does, there will be plenty to learn from it and apply to healthcare, business, and the economy. When it does, there will be lots of good and bad data to filter through- just like we work with you to do every year on your farms. We will filter through it and be prepared for next year and to control what we can control.

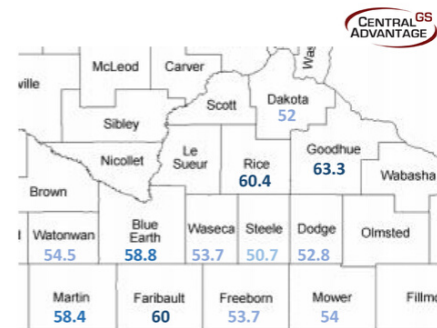
2019 County Soybean Yields

Blue Earth: 149,120 acres
Dakota: N/A
Dodge: 78,652 acres
Faribault: 151,722 acres
Freeborn: 123,894 acres
Goodhue: 87,000 acres
Martin: 134,213 acres
Mower: 136,126 acres
Rice: N/A
Steele: 62,848 acres
Waseca: 75,951 acres
Watsonwan: 85,982 acres



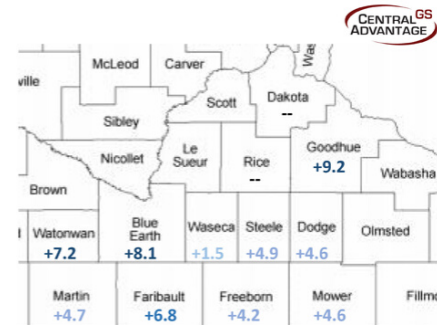
2019 CAGS Soybean Yields

Blue Earth: 4,680 acres
Dakota: 877 acres
Dodge: 8,748 acres
Faribault: 8,478 acres
Freeborn: 13,006 acres
Goodhue: 400 acres
Martin: 3,787 acres
Mower: 9,274 acres
Rice: 4,458 acres
Steele: 11,152 acres
Waseca: 6,849 acres
Watsonwan: 9,618 acres



2019 CAGS Soybean Yields

Blue Earth: 4,680 acres
Dakota: 877 acres
Dodge: 8,748 acres
Faribault: 8,478 acres
Freeborn: 13,006 acres
Goodhue: 400 acres
Martin: 3,787 acres
Mower: 9,274 acres
Rice: 4,458 acres
Steele: 11,152 acres
Waseca: 6,849 acres
Watsonwan: 9,618 acres



2019 Soybeans

	2019	2018	2017	2016
CAGS Acres	75,992 Acres	89,686 Acres	93,732 Acres	96,888 Acres
County Acres	1,085,508 Acres	1,306,814 Acres	1,563,867 Acres	1,491,512 Acres
CAGS Yield	54.6 Bushels	58.8 Bushels	60.2 Bushels	66.4 Bushels
County Yield	50.8 Bushels	55.1 Bushels	56.2 Bushels	59.6 Bushels
CAGS over County	+3.8 Bushels	+3.7 Bushels	+4 Bushels	+6.8 Bushels

A man wearing a grey t-shirt and a blue baseball cap is leaning over the side of a green John Deere fuel truck. He is holding onto a black metal frame. The truck has "JOHN DEERE" written on its side in yellow. In the background, there are trees and a clear blue sky. The top left corner of the image shows a red mechanical component, possibly a fuel nozzle or valve, with a white cap.

Energy Update

Fred Urch, VP of Energy

2020 has started like no other year for the Energy industry. Prices of crude oil and fuel products have fallen dramatically. The economic contraction that we are watching has largely been driven by the response to COVID-19. Oil supplies have increased even as oil-producing countries rush to try and limit the overall production of crude. With the economy, demand for fuel products in many cases has been cut in half. The results have been an ever-increasing supply of crude and fuel. Prices have been volatile in a downward movement. As a retailer of fuel products, we find ourselves in an uncharted environment. The impact of this economic contraction will have far-reaching effects in the near and far term.

At CFS Energy, we continue to focus on the things that are in our control and work within our supply plan. Our focus is to be your trusted supplier of energy products in these ever-changing times. Supply planning is complicated and involves many key factors, both external and internal, to CFS. Some of our key external factors are strong partnerships with dependable product wholesalers and transportation companies, who help us spread out our supply risks.

Our key internal supply planning is focused on things that have a great impact on our ability to be a trusted provider. Our staff, equipment, and storage are at the center of this plan. We have intentionally been developing and working on these areas for the past several years, allowing us to enhance our performance for you our customers during these unpredictable times.

CFS Energy is blessed with dedicated staff that has demonstrated itself time after time. They are committed to providing great service despite challenging conditions. The last several years have been some of the most difficult and demanding, but our staff has responded by going above and beyond to meet the need. We are confident our staff will meet the challenges ahead of us.

To be effective, our staff depends on equipment to get the job done. We continue to invest in new equipment, adding several new propane and refined fuel trucks annually, which allows us to remain dependable and consistent in our deliveries.

Product storage is another key area that CFS has been working on, allowing us to meet the high variability of demand that comes along with serving our markets. CFS has upgraded and brought back online two refined fuel bulk plants (Truman and St. James) with the capacity to store over 300,000 additional gallons of product. These plants give us reserves to help offset supply issues that can often interrupt product flow during peak demand. We have also invested in additional storage for propane to meet the seasonal peak demands for corn drying and home heat. Last summer, CFS added additional storage of over 230,000 gallons at our new Owatonna propane bulk plant. The addition of these storage facilities was done specifically with supply management in mind to provide reliable service in challenging times.

As the conditions continue to change, we will assess our supply plan and look for options to best serve you with the focus on being your trusted energy provider.



We are pleased and excited to announce our acquisition of Smith Propane and Lube, Inc. When approached by the Smiths regarding interest in selling their business, we were intrigued and excited about the possibility, as this opportunity leveraged one of our core business strengths. Through the discovery process, we quickly learned that our businesses, although different in size and scope, share many similar thoughts and beliefs about providing excellent service. It quickly became apparent that Smith's offer was a good fit for our cooperative.

The sale was lead with details and timing in mind as we wanted to ensure the best transition for all the parties involved, especially our customers. Dan and Karen have put a great deal of time and effort into their business over the years, and we wanted to ensure the transition was done right. On May 1, 2020, we approach the finalization of the purchase of Smith Propane, Dan and Karen have shared these thoughts:

"It is with mixed emotions that we have decided to sell Smith Propane & Lube, Inc. This was not an easy decision, and we have put much thought into it. We would like to semi-retire and spend more time with our children, grandchildren, and enjoy our small farm operation."


"After numerous meetings with Central Farm Service's management, we feel very confident they will take care of your all propane and lube oil needs. CFS will continue to provide the same level of service you have come to expect from us here at Smith Propane. We support CFS 100%."

At CFS we recognize how important it is to retain the relationships that have been developed and we are pleased that several of the Smith employees; Travis Smith, Jeff Schroeffer, and Don Nierman have joined the CFS team and will continue to work in the Lake Crystal area serving the customer base. Travis's focus will include sales and service, while Jeff and Don will continue to deliver products and services. It is also our intention to continue to serve these customers from a facility in the Lake Crystal area.

We look forward to continuing to serve your energy needs and to be your leader in energy products and services for Southern Minnesota.

CFS ENERGY ACQUIRES SMITH PROPANE AND LUBE, INC.





Fungus	Disease	Temperature (F) Range/Optimum	Soil Moisture
Pythium	Damping-off	50-68/<59	Saturated
Rhizoctonia	Damping-off	60-86/80	30-60% water
Phytophthora	Damping-off	59-86/77-80	Saturated; weekly periodic rain
Fusarium	SDS and root rot	50-86/59	Wet to saturated

Soybean Planting Considerations

As the calendar turns to May soon, we are confident soybean planting will occur, but we can't forecast what the weather will be like the weeks after we plant. The average temperature in southern MN hovers in the mid-60's the 1st week of May, but rainfall is always variable. Soybean seed and seedlings can be threatened by many diseases that are activated by soil temperature and moisture. We can't forecast what the weather will be the first few weeks or what associated soybean seedling diseases will be prevalent, but there are opportunities to minimize risk by adding seed treatments to your soybean seed. Seed treatments provide four main agronomic benefits:

- Manage unknown weather & corresponding seedling diseases
- Offer protection against insects and nematodes
- Protect the population from falling off the yield cliff

Manage Unknown Weather and Seedling Disease

Even if soybeans are planted in warmer temperatures later in the season, it doesn't reduce the risk of seedling diseases. However, it does change the disease type spectrum. Seedling diseases like Rhizoctonia and Phytophthora are most active with warmer temperatures, while Pythium and Fusarium prefer cooler soil temperature with varying degrees of soil moisture saturation. Phytophthora is one of the most common MN seedling diseases and results in damping-off and seed and root rot, along with stunting, plant death from emergence through R5, stand reduction, and yield loss. Phytophthora is problematic in saturated, compact soils. Seed treatments with fungicide components that include metalaxyl as an active ingredient are often used to reduce Phytophthora infection. Seed treatments with mefenoxam, the active isomer of metalaxyl, are also a strong agronomic choice since the mefenoxam active ingredient can be more than twice as effective as metalaxyl alone.

Seedling Disease

Ever since the heavy presence of White Mold in 2017, lots of conversations have occurred about the possibility of dropping soybean planting populations to reduce White Mold infection pressure. As populations drop, the buffer between the optimum harvest population and planting population shrinks. No matter what you believe the required population at harvest to optimize soybean yield is, seed treatments keep you farther away from the edge of the yield cliff and provide a cushion as other pests take away stand. Results from WinField United AnswerPlot have observed an average population increase of around 10,000-16,200 plants/acre when using a premium seed treatment vs. an untreated soybean. Use broad-spectrum seed treatments that give you the most protection on the main 4 seedling diseases! You don't know what the weather will be like 2 weeks after planting. At CFS, we utilize KSI on-demand treatment equipment for optimum coverage on each seed. Your CFS Agronomist can help find the options that best fit your farming operation!

Meet Glenn Eben

Who knew that summer night in Okoboji would allow me to work for an amazing company called Central Farm Service. Although, I believe that anyone can encounter opportunities as long as you put in the work to step into the right place at the right time.

Let me tell you a little something about myself. I joined the CFS team as the Vice President of Feed on September 30, 2019. I worked for Cooperative Farmers Elevator for 24 years, which provided me with numerous opportunities to grow and learn within the organization. I am thankful for the experience and knowledge I was able to gain during my time at CFE, which has prepared me for the position I hold today at Central Farm Service.

My family has been my biggest supporter. My high school sweetheart Darcy and I have been married for 32 years. We have four beautiful girls, Katelyn, Anna, who is married to Alex. Danielle, who is marrying Luke this summer and our baby, Madison, who will be a high school senior next year.

When I considered this position, I said to myself "What kind of leader do I want to become". Communication was top of my list, whether that is with my employees, local producers, or with other departments within CFS. Working together with integrity and great communication skills makes us successful team members. Like Albert Schweitzer says: "Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful."

In the feed business, the best way to drive down costs is to increase production and maintain or decrease expenses. With our focus on profitability, we have been actively pursuing additional tons, and it is working. I am happy to say that in the past six months, production in the mills has steadily increased with no major increase in expenses.

Due to COVID19, our team has been diligently working to be an asset to our customers and will continue to strive to be a resource during these unprecedented times. We will get through this together!



Glenn Eben , VP of Feed



TRUSTED SERVICE.COOPERATIVE VALUE.

back to basics

Lauren Hislop, Quality Control Manager

These are Unprecedented times,' is a phrase I have heard or read time and again over the past few weeks.

Happenings or events that we once worried about, but thought outlandish such as restaurant and school closings, stay-at-home orders, major ingredient shortages, processing plant closures have all come to pass. With each new day comes a new set of challenges, and each challenge a pivot point.

Talks of ethanol plant closures were one of the first challenges for the feed department and producers alike. Increasing prices and supply shortages for the by-product were coming hard and fast down the pipeline. Requests for feed formula revisions to pull out dried distillers grains came soaring into my email. Because our four feed mills often share customers and therefore formulas, it became a balancing act on what to update first. We needed to be mindful of current inventory, loads bought, customer conditions on when to pull the ingredient, and production usage. On top of pulling DDGs, formulas were becoming simplified.

Our sales staff was busily working with customers fielding phone calls, removing value-added products, and getting back to the basics in the formulation. Doing so ramped up usage of corn to the extent that we were grinding 60,000 additional bushels of corn a week between the mills.

And then the Smithfield, Sioux Falls processing plant shut down, and a week thereafter JBS, Worthington.

Continued talks of more plant closures and reduced capacity at others had tensions running high. There was no way we could have been 100% prepared, but we had an idea of what was coming. Continued talks of more plant closures and reduced capacity at others had tensions running high.

Due to the proactive thinking of our nutritionists and sales team, we had 'slow' and 'holding' rations in place and ready to implement upon customer request. These different diet strategies removed all feed additives, reduced amino acid levels, and lowered energy levels so as not to promote any extra growth. We worked diligently to obtain fiber sources though demand was significant, and prices there also were increasing. We could request loads of soy hulls and wheat midds, but we weren't always guaranteed they would show up. While our fingers were crossed and our breaths held, our brains were working on contingency plans.

To hold pigs back and slow growth, to swerve from the fixed schedule goes against the grain.



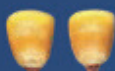
back to basics continued...

However, that is the best-case scenario, particularly when pictures and videos are surfacing of milk being dumped and vegetables being plowed into the ground, unsettling the public and further casting doubt on the American farmer.

We must trust that the closures are temporary. The meat demand is there. Until this turns around, we need to be innovative and creative and minimize losses through management practices as well as nutrition. We encourage you to contact one of our CFS swine nutritionists or production specialists before implementing any new strategies or with any questions you may have. Times like these make a person extremely grateful to live where we live." I couldn't have agreed more when my dad said those words to me after the MN stay-at-home order was issued.

Southern Minnesota is a far cry from New York City. We have minimal public transport, plenty of countrysides, and while our closest neighbor may be a quarter-mile away, there is a strong sense of community among the small-town living. I have seen 20, 30, and 50 fat hogs sold locally through a few Facebook posts.

A family friend has been busy posting daily her delicious pork recipes and promoting local farmers. Now spring planting is underway, and the promise of a new growing season is upon us. 'Unprecedented times' yes, surreal absolutely, but persevere we will as we always have.



**Both of these can improve yield.
Only one can help maximize your ROI.**

On the surface, they look identical. But only one can help maximize your ROI. At NK[®], we analyze all available data, from soil conditions to years of weather, to identify the right hybrids for your fields. Helping deliver a value that doesn't just mean stronger yields. But also, stronger profit potential. Contact your local NK retailer or visit NKSeeds.com.

Delivering technology, genetics and value



syngenta



Worth the Haul or Not?

Greg Siems, Grain Marketing Advisor

In this day and age, a farmer has vastly more options to take grain to market. It used to be your local coop elevator was your best option. What changed? As an industry, farmers have put more bins up to store grain on the farm, and trucking has given them access to more markets than in the past. A producer can take their grain to the local elevator, ethanol plant, feed mill, or any number of elevators. You just have to get it there.

How often do we analyze that cost? Perhaps you bought the truck/trailer on an auction, and it's a great old workhorse that has served you well. You license it every year, give it some love and attention, and in return, it does what you need it to do when you need it. Maybe your bookkeeper gives you a number at the end of the year of how much it cost you to transport your grain to market. Whatever the case may be, let's take a look at the costs and things to consider when hauling grain so that you may determine whether it's worth the haul or not.

As with most business endeavors, you have fixed and variable costs. Fixed costs include licensing, insurance, loan payments, and depreciation. Variable costs include fuel, maintenance, and time. Once you have determined your costs, compare them to the competitive trucking rates offered by CFS. We can pick up directly at your bins, which may save you time and money.



It might be time to take a deeper look at your costs and compare them to what CFS can offer to help get your grain to market.

Consider the following scenario:

- Your truck gets 5 mpg at \$3 fuel, 30 miles to your grain destination, and paying yourself \$10/hour.
- You'll probably pay around \$4000/year to license and insure the truck, then add \$500/year in maintenance.
- Your truck transports around 15k bushels of grain during harvest and 50k bushels of grain out of your bins. This works out to about 13 cents/bu.
- You spend 79 hours on the road, this does not include load/unload. Your truck has also traveled 3300 miles during the marketing year transporting your crop.

Considering just these variables, and driving the speed limit, you have around \$6500 in transporting your grain.

Now consider the very real scenario:

- You travel 20 miles further down the road for a better price, what does that do to your costs?
- You've added 20 hours to your drive time, and another 2100 miles. You or your hired man is spending nearly 100 hours hauling this grain. This scenario has used a modest \$10/hour in labor.

You can see the costs are not small traveling another 20 miles, because it's not just another 20 miles, it is 40. You may not have a back haul, but your wheels are still rolling.

The point is to ask these questions. Every producer is different, your needs, and time constraints are different. All of these variables are valid and should be considered in determining if trucking your grain is worth it.

CFS offers the service of trucking for you, at levels that are competitive with scenarios like the one above. Our rates take into account the amount of time it takes to load a truck and the current fuel market. Contact your local CFS Grain Marketing Advisor to learn more about putting our trucks to work on your farm.



Getting to Know Your Own Unique Story

At AgQuest and CFS, we understand that every farming operation has its own unique story. So, that's why it is important to us to get to know you and understand what your needs really are. Whether it's a total operating loan, leasing equipment or insuring your assets, we can help make it happen. Through the AgQuest program, CFS becomes a one-stop source for everything you need, from inputs and agronomy services, to financing and insurance.

Fact Not Fiction

We have many products and service options and you'll find it's true... securing financing and insurance for your farming operation doesn't have to be another chore. Flexibility, simplicity and personal service is what makes AgQuest different from your typical lender or insurance agent.

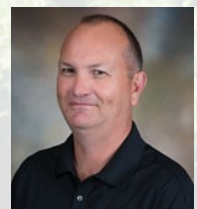
With AgQuest as their partner, CFS offers patrons several different financing opportunities:

- **Secured Companion®** is a loan designed to create a dynamic link between agricultural producers and CFS. Companion is a traditional full-operating line of credit with competitive product costs and operating interest rates. Revolving and second year loan options are available.
- **Companion® Direct** is a loan with an unsecured line of credit up to \$250,000 that can be used by patrons of CFS, allowing greater flexibility to purchase input financing in one convenient program. Companion Direct has the advantage of minimal paperwork and quick decision time. If applicable, best lien position is taken. In addition to the Companion Operating loan products, we also offer a variety of term finance products including, equipment loans, real estate loans and leasing.

Beyond Financing

AgQuest is more than just a lender; we also offer a full-line of insurance coverage, specializing in Crop Insurance, Livestock Insurance, Weather Risk (rain, drought, heat, freeze – even growing degree day guarantees), as well as Property & Casualty Insurance for your farm, commercial, home and auto. Our professional agents pride themselves on having comprehensive knowledge of both the farming and commercial insurance industry and have access to unique products that provide coverage, convenience and competitive rates. *AgQuest Insurance Agency is an Equal Opportunity Provider.*

As your local AgQuest Business Relationship Manager, Mike Evans is looking forward to hearing your own unique story and learning about your operation. For assistance with your financing, leasing, or insurance needs, call Mike today!



Mike Evans

call | text 507-236-4084
mevans@agquest.net
Toll Free 877-626-7453



Sonya Arndt, Admin Support

call | text 507-621-0772
sarndt@agquest.net
Toll Free 877-626-7453



FEED
THE
BEAST

MAX-IN[®]
By **WINFIELD
UNITED**

GIVE YOUR PLANTS
WHAT THEY'RE
HUNGRY FOR.

Satisfy your plants' growing appetites throughout the season with MAX-IN[®] micronutrients. Tissue test between V4 and V8 to determine nutrient needs, then we'll provide a customized recommendation to feed the hidden hunger and help optimize yield potential.

WinField United is a trademark and CornSorb, MAX-IN and WinField are registered trademarks of Winfield Solutions, LLC.
© 2017 Winfield Solutions, LLC



CENTRAL FARM SERVICE

712 N Cedar Ave
Owatonna, MN 55060

cfscoop.com

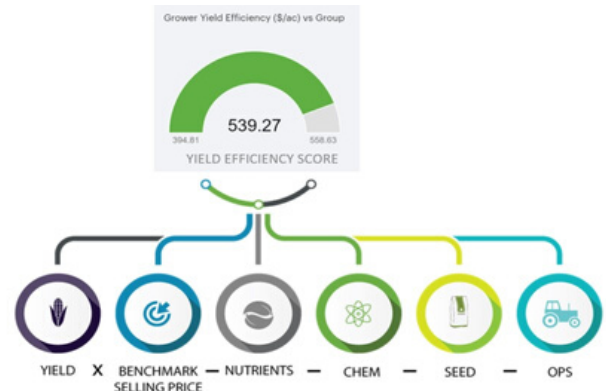
HOW DO YOU DEFINE SUCCESS?

Jade Kampsen, Precision Agronomy Territory Lead

Strong in its roots, Central Advantage strives to meet customers' needs while pushing the boundaries on data management and on-farm technology use.



It has been an evolving journey for everyone - grid samples to variable-rate seeding and now a focus on how to view data and use it to make more informed decisions. Farming has always been business-focused, but as we continue to face uncertainty with the economy, trade, and regulations, we continue to fine-tune our decisions. Understanding what works in your fields, where within those fields, why, and what your return on investment is will define your success. Defining the metrics of success and putting a number to that is done through Yield Efficiency. Understanding these numbers for each field, each crop, or at the enterprise level in comparison to others gives everyone a starting point to make changes to operate more efficiently.



Looking at this formula, we can come to some quick conclusions - yield efficiency is improved by growing more bushels, improving selling price, or reducing spends. How can more bushels be grown? What is the max potential of each field or zone within each field? Can that be reached or reached profitably? Where can spends be reduced without harming yield? These are all questions that Central Advantage wants to help you answer for your operation to improve your efficiency and success, however, that is defined for your operation.

What does success look like within Central Advantage? We will continue to do what we have done in the past - write recommendations, service growers, run reports, create quality group data, and enhance local knowledge. We will also continue to push the boundaries. Success to our team looks like success for your operation.