



*Here to Serve. Here to Stay.*

SPRING NEWSLETTER • 2019



As we prepare for another crop year, would like to share with you a short list of priority items that are aligned with our core objectives of customer focus, employee focus, and operational excellence.

1. Safety - Nothing is more important than our employees and customers. Being aware of our surroundings and the hazards that are present is an important focus that must be maintained. For a large part of our team our weekly tool box talks help us with this focus. I will challenge you and our team, how do we continue to put ourselves in a safer position. One personal item that I continue to work on, I will not be distracted by text's our emails while driving. When I think of my wife Sarah, and daughters Morgan and Sophie, I just simply can't do this – they need me to come home.

2. Customer Relationships – being able to serve you well often begins with getting to know you and your operation. You will see in this newsletter that we have some new faces in customer facing positions, so we have work to do in developing these relationships. One individual that I would like to introduce you to is Rylan Zwanziger (also see Rylan's bio below). Rylan has a deep desire to help you with grain marketing and understanding your risk position. Rylan is also going to help develop our grain origination team and help them grow. He is also tasked with expanding our grain marketing tools.

3. Customer/Employee Focus – We continue to evaluate a software system that makes it easier for you to do business with us, and makes it easier for our employees to execute their jobs. We also have put emphasis on improving our standard operating procedures. I believe that these procedures, executed well, will result in a more predictable customer experience and provide better expectations to our team.

4. Operational Excellence – We have recently implemented a software solution to better help with preventive maintenance of our grain and agronomy facilities. We are also putting additional resources into maintaining our rolling fleet.

5. Grow Out Plans – We continue to evaluate a feed mill in our Eastern area. We are continuing to work on third year plans for agronomy equipment and grain trucks.

I look forward to serving you this crop year. Thank you for your business with Five Star.

*Ken Smith*

General Manager

I'd like to introduce myself to the Five Star members. My name is Rylan Zwanziger and I will be serving as your Grain Originations Manager. A little bit of history and background on me; I grew up in a farming family just East of Nashua, IA. I graduated from Iowa State with a major in Agricultural Business and took a job upon graduation with Bartlett Grain in Council Bluffs as a grain merchant. For the past 8 years I have worked for ECI coop out of Cedar Falls where I worked as an originator, I also started and ran a crop insurance business for them focusing on better risk management for our producers. Tying crop insurance and marketing together we were able to get a deeper understanding of our customers risk profiles allowing us to make better recommendations for their operations.



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As spring approaches and old man winter finally gives in, we all can look forward to another growing season. The weather all last year was very challenging. The spring planting season was spread out over a month, the summer was hot and wet, and fall was just plain nasty. The first part of winter was nice, but the rest was brutal. I think everyone is ready for better weather. With not much fall tillage or NH3 done, it may be an interesting spring, but with decent weather and good planning the work will get done.

One of the responsibilities of the Board of Directors is to consider opportunities that will provide value to the members we serve. We need to be constantly trying to improve and grow so we can provide what you need from the coop. Over the winter we reached out to some of our neighboring coops to see if they were willing to meet and get to know each other a little better. Even though we may compete for business on some level, we need to work together to keep the coop system strong and relevant. Part of the reason for doing this is to determine if it might make sense to consider doing something together down the road. These meetings went well. As time goes on, we will see if anything happens as a result.

Over the past few years, the Board and management team have had a conservative approach to capital expenditures. We have been focused on updating semi tractors, trailers and agronomy equipment. Repairs on some of our older equipment were excessively high and we had too many "spares" around. By updating our fleet, we were able to reduce the number of units and still get the work done. That plan is being evaluated to determine what the next step should be.

There are some things that we are discussing and working toward making a decision on. The feed mill in New Hampton is over fifty years old. It grinds about 500 ton of feed per day and is getting to the point that something needs to be done if we are going to be in the feed business long term. Many people are working on a go forward plan for a new mill. There are many things to consider such as location, size, current customers, and future growth. Hopefully in the near future we will come to a decision on what and how to proceed. Thanks to all those working to provide information to the Board to help us make the right decision.

Another possible capital expense is to continue the grow out plan for Lawler. A few years back the decision was made to start building out of town. Everything in town was/is toward the end of it's useful life so it made sense to start over somewhere else. We have been talking and planning on what to do next in Lawler. We have many loyal members from that area and are trying to figure out what their needs are. If you have any thoughts on this, please feel free to call any of your eastern directors or Ken with your input. We have not forgotten, it's just been tough trying to figure out exactly what to do there. Your patience and business is appreciated.

Another change that may be coming down the pipeline is new software for the coop. The management team and employees have been working hard at evaluating what is out there. The needs of our members are changing, and we have to not only deal with the nuts and bolts of the coop, but also the technology and data component. All departments in the coop have had their input on what they think is the best choice for them. After more careful consideration, a decision will be made on what to do.

The things listed above are all significant decisions that will impact the coop. We are making sure we take adequate time and do the necessary work to ensure the right decision is made. The discussions we had with some neighboring coops over the winter may also bear some weight when considering whether or not to go forward with some of these projects. The board and management team feel this approach will give us the best end result, that serve the members best.

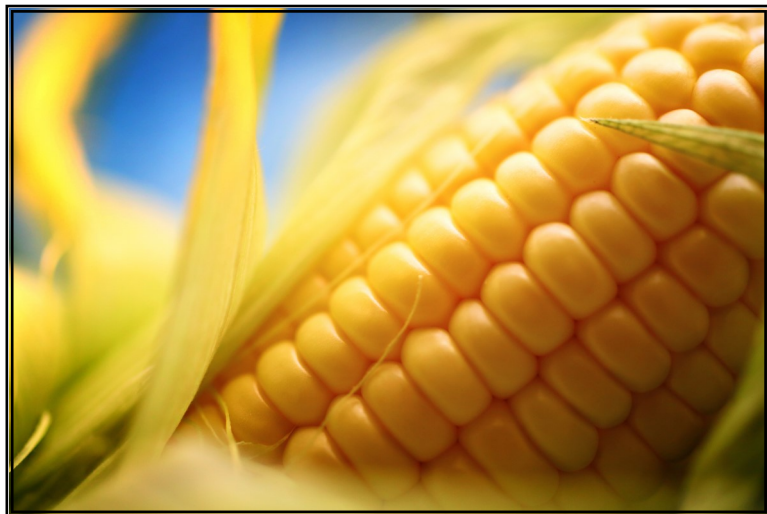
Wishing you a prosperous growing season. Remember to always put safety first, and as always, thank you for your past, present, and future business.

Tom Shatek  
Board Chairman



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Here at Five Star, I want to bring the same approach to our members where we define each operation's risk by identifying the cost of raising the crop, what sales we have made, and what we are taking for crop insurance. By taking this approach it enables you and us the ability to have better visibility into your operation, which in turn allows us to give better recommendations and you the ability to make better decisions. Besides having the ability to now offer crop insurance, another thing we are trying to provide is an average price program that takes the emotion out of marketing and gets you pricing grain from the end of March to the beginning of July, which tends to be the seasonal highs of the year. Please don't hesitate to reach out to our grain team and let us help guide your operation!



Outside of work, my family consists of my wife Christie and two boys Dake (4) and Nelson (2). Beyond staying busy with my family, I do farm some with my father which helps me to stay active in the environment we are trying to serve. Other interests and hobbies include attending and serving Cedar Point Church in Nashua, being outdoors hunting and fishing, and following wrestling whether it be high school, college or international. I look forward to getting to know many of you and hope I can help make a positive difference in our cooperative!

**Rylan Zwanziger**

Grain Originations Manager

## ENERGY DEPARTMENT

I am sure we are all ready for winter to hit the road and welcome spring time. We have seen everything winter could throw at us this year. The blizzards and brutally cold temperatures have left us with a problem, the soft rural roads are only adding to our prolonged misery. Hopefully the warmer and drier weather will continue from now on.

For those of you that utilize our bulk oil delivery service, I am happy to report a bit of good news for a change. The prices have come down a little on these oil products. We will be running our spring delivery route some where around the middle of April. Please call a location closest to you to place your order.

Since December, we have seen crude prices increase a strong 10 dollars per barrel. With that increase we have watched diesel increase roughly 25 cents and gasoline increase 40 cents. I am sure you have experienced these increases at the pumps over the last few months. Global economic headlines and OPEC production cuts seem to be the main drivers at this time. Currently crude is knocking on 60 dollars which is at the upper end of our most recent trade area. Reality is, until there is some kind of significant news to say otherwise, we are most likely going to trade in the 45 to 65 dollar area moving forward.

Propane, on the other hand, has seen the least volatility over the past few months with only minimal gains. Hopefully next winter's heating season should see prices close to where they were this last season. Thank you to everyone who took a little extra time to have a path cleared to their propane tank each month. The drivers appreciate it a lot. Your extra attention enables a safe and efficient delivery process. Be on the lookout during the month of May; we will be sending out our propane budget program information for the upcoming year. If you are not on this program and wish to get more information, please call our main office at 641.394.3052 so that we can get it to you. It's a great program that enables you to keep your monthly bill low and eliminate the hassle of calling in for a delivery. Customers on our program are scheduled into our monthly fill routes to keep the tanks full.

We have booking prices available everyday on diesel, gasoline and propane. We also have lease to own programs on fuel and propane tanks. Call anytime for any part of your petroleum needs.

I thank all of you for your continued business and hope the spring months treat you well.

**Bruce Halvorson**

Energy Department Manager



## AGRONOMY DEPARTMENT

I have several Agronomy Personnel changes to announce. In December and January, Five Star had three sales agronomists leave the company for other opportunities outside of Ag Retail. After many interviews of both internal and external candidates, we are pleased to announce the following.

Heath Huntley has accepted the Agronomy Sales position in the East Region with a priority on the Nashua trade area. Heath is a native of Iowa and earned a BS in Agronomy at Iowa State University in 2015. Since graduation he has been employed in Agronomy Sales in Nebraska and Iowa. Bryce Warnke has accepted an Agronomy Sales position in the East Region with a priority on the Lawler trade area. Bryce is a 2017 graduate of Iowa State with a BS in Agronomy. Bryce has been employed by Five Star since April 2018 in Agronomy Operations in New Hampton. Jordan Heit has accepted an Agronomy Sales position in the East Region with a priority on the New Hampton area. Jordan graduated from Iowa State University in 2018 with a BS in Agronomy. Jordan has worked as an intern with Five Star for several years and was hired Full Time by Five Star in December 2018 as an Agronomy Sales Trainee - working closely with Bob Sobolik. Bob will continue to mentor these three young salespeople.

In the West Region, Dustin Keninger accepted the Agronomy Sales position with priority on the Joice area. Dustin is a 2015 graduate of Iowa State University with a BS in Ag Studies. He has been employed at Five Star Coop since 2015 in various Agronomy Operations/Services roles. Also in the West Region, Sami Searle and Cory Mathahs have added Agronomy Customer Service duties to their current roles. Sami is at our Scarville location and Cory just became a full time custom applicator in the west region. Please join us in welcoming and congratulating each of these employees on their new positions and/or responsibilities. Thanks to all who helped interview, assess, and select the best candidates.

Spring 2019 is setting up to be a real challenge with limited fall field work and no fall NH<sub>3</sub> being applied. Rivers are full and frost is still in the ground, so field work will not start early this year. Preplant NH<sub>3</sub> availability will be the most challenged since very little fall product was applied and several terminals in the Midwest will not be operating at full capacity. We expect long lines at the Garner terminal, which is the terminal that Five Star uses. Also barge movement north of St Louis has been delayed by high water and thick ice near Lake Pepin. Communication and flexibility will be the keys to a successful planting season this year. Please keep Five Star in mind for your Corn and Soybean Seed needs. If you are changing acres between corn and soybeans, picking up new acres, or have uncommitted acres, we have a good supply of competitively priced top yielding hybrids.

Above all, be safe this spring.

**Olin Amundson**

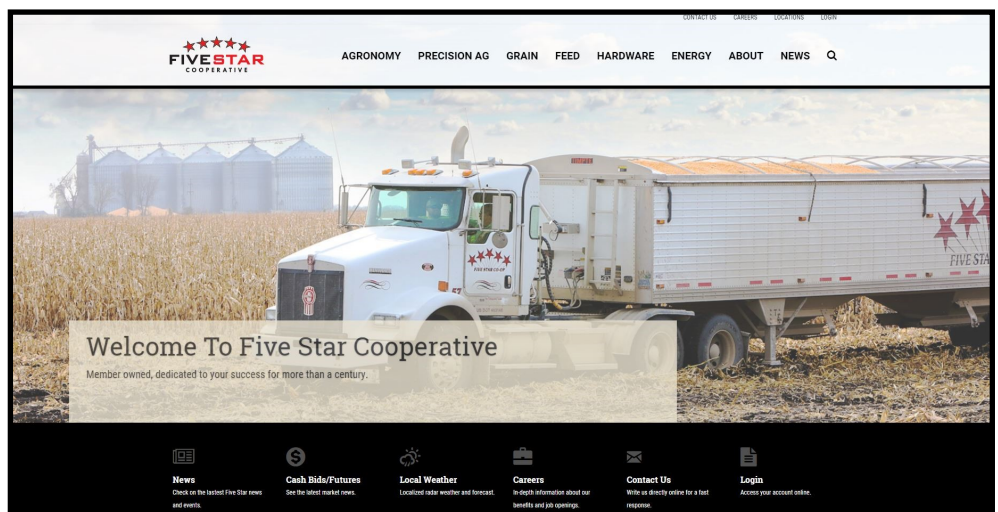
Assistant Manager/Agronomy Manager

## WEBSITE UPDATE

We live in a world that is rapidly changing and evolving. It can be hard to accept the "new" at first, but in time we all grow accustomed to the changes. We recently launched our new website on the ATLASportal through Land O' Lakes. With this, in the near future we are going to be able to show you why we made this choice. Farming and agriculture are relying more and more on different technologies. While using these features, we visit different websites and use different apps to access the information we are looking for, remembering different user names and passwords for each one. With the

ATLAS portal, we will be able to allow our customers a single place to access all your information within these technologies such as Climate and R7, along with your Five Star account for a couple of examples. Another tool we will be utilizing with ATLAS, is digital communication. This will be a better way for us to communicate with our customers about upcoming events, current sales and promotions, and any information we feel may be beneficial to you. With this, we are compiling a list of customer emails. If you want to be a part of this new digital communication, please send an email from the account you want us to have on file with your first and last name in the content of the message to [heather.sternat@fivestar.coop](mailto:heather.sternat@fivestar.coop) and I will get you added to the recipient list. I am excited to be working with the new ATLAS platform and am looking forward to the future when we can share all of its capabilities with you.

**Heather Grove**





## OPERATIONS UPDATE

With the weather finally turning around for the better, it looks like we need to get our equipment prepped for Spring 2019. Hopefully Mother Nature will be kind to us with timely rainfall and consistent warm weather. Even if we are surrounded by challenges this spring, you can rest easy knowing your Five Star team is here to back you in any way needed on your operation. Take a look at some of the updates we've done in preparation:

### ◆ Updated Liquid Load Out in Joice to be completed in April 2019

- This will really streamline the loading process with the ability to top fill, bottom fill, eliminate time on the scale with metered product, hot load, and have a safe catwalk to access the top of trucks instead of climbing on slick ladders.
- We are drilling a new 8 inch well with a 6 inch pump to be able to load post products, either a hot load with chemical or your AMS/conditioner. Those of you serviced by this location know that this will be a great improvement.
- The seed treater is moving down to this new addition as well. Moving this set up will enable our team to load inside the building away from wind or rain.

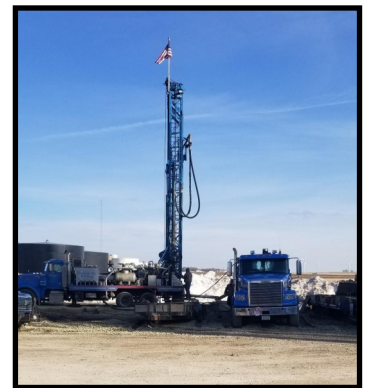
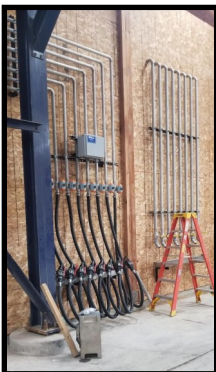
### ◆ New Application Equipment as outlined and discussed in our Operational Grow Out Plans

- 1 Case IH 3540 Liquid / Dry Combo Floater in Ventura
- 1 Case IH 5550 Trident Combo Liquid /Dry Combo Machine for Pre/Post/Dry Application in Joice
- 1 Case IH 5550 Trident Dry Machine in Joice that will be used for N,P, K application in the Fall as well as Urea side dress in the Spring for the Central and West service areas.
- 2 Case IH 5550 Trident Combo Liquid/Dry Combo Machines for Pre/Post/Dry Application in Mason City for the Central service area. The addition of these units will enable us to utilize our 1 year old Trident for Urea side dress application in the Central and Eastern service areas.
- 1 Case IH 3540 Liquid / Dry Combo Floater in New Hampton
- 1 Case IH 5550 Trident Liquid / Dry Combo Machine for Pre/Post/ Dry Application in New Hampton

We have put a lot of thought and research into our equipment grow out plans and believe you will see the benefits. As with any spring rush, please take the time to be safe and have some extra patience as we all have a large job to get done this season. I am sure that no matter how much planning or preparing we do, none of us can foresee the future.

**Ben Thomas**

*Western Region Operations Manager*



**Top Left:** Case IH Trident 5550 Dry Spreader

**Bottom Left:** Joice Liquid Load Out tanks and delivery system.

**Bottom Center:** Case IH Trident 5550 Liquid/Dry Combo Machine outfitted with Liquid application unit.

**Bottom right:** New well being dug at the Joice Location for Liquid Loadout facility update

***No winter lasts forever;***

***No spring skips its turn.***

***-Hal Borland***

## FROM THE FEED MILL

We had a very nice winter until mid-January then that all went out the window. Wow. We have gone from snow and wind to ice and rain, and now mud. So much mud that we actually had to stop hauling feed for a couple days. We have all had enough with the weather slowing us up. The gang has been very good about working when we are able to run, taking off during the week to keep hours in check, and hauling feed on weekends. We even had to haul ½ loads to get us through some of the gravel roads because of the mud. We are just a little bit better than the Post Office, because we did work a few Sundays, but we won't let that go to our heads.

The meal market has had a few ups and downs. It was mostly staying even until the week of March 11th when the market had a strong swing upward of 10 to 15 dollars per ton. Those of you who are booked are in good shape and have 1 less worry. Booking in the fall doesn't always win, but very seldom loses. I could say the market will come back down again, but with Trump, China, South America weather, and US planting starting up, who knows, anything can still happen at any time. This is how vulnerable the market is in today's world.

Our feed business is still growing and we continue to monitor our plans for the future. Our Team, Management, and Board are in discussion at all times in regards to assessing what we will need in order to improve and maybe build for future.

Spring is just around the corner, I hope, and planting will soon begin. Just remember to be safe. Please continue to call your feed orders in early. With the rules and regulation changes, same day orders have become a thing of the past.

Thank you and have a great spring.

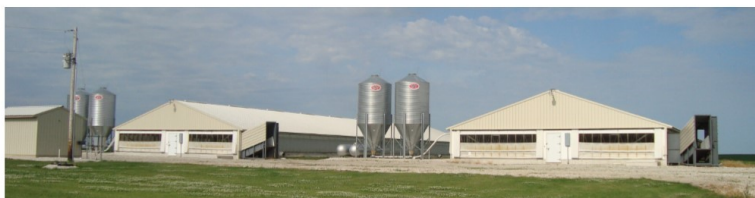
**John Winter**

*Feed Department Manager*



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The Five Star Cooperative Feed Department is looking for farmers who are interested in building new hog sites as well as growers who have existing space available.



To hear more about these opportunities, please contact

Five Star Feed Department: 888.246.6410 ext 226

Jeff Hageman: 641.512.1273

Brian Logan: 641.494.7878

[www.fivestarcoop.com](http://www.fivestarcoop.com)



*Please join us at the  
Hardware Store on  
Saturday, May 11, 2019*

# Spring Event & Fish Day

*11:00am - 1:00pm*

***Specials,  
Bargains,  
Prizes,  
& Food***

***Join us for presentations and  
savings from:***

***D & K Lawn Care***

***DryShod Boots***

***Edgewood Locker***

***Green Mountain Grills***

***Milwaukee Tools***

***Purina Feeds***

***Twisted X Shoes***

***Weaver Leater***



**FEED GREATNESS™**







P.O. BOX 151 - 1949 North Linn Avenue  
New Hampton, IA 50659  
641.394.3052

*We need your help locating updated information for the accounts listed here on the right. If you know of these account holders or can steer us in the right direction, please call*

*Laura or Brianna at  
our office in  
New Hampton.  
641.394.3052  
Thank you!*



**Roger Desloover**  
**C & L Acres**  
**Cheryl Chester**  
**Alanna Bamrick**  
**James Bernau**