



FRONTIER

COOPERATIVE

FALL 2019 NEWSLETTER



EXPERIENCE THE DIFFERENCE



FRONTIER

COOPERATIVE

Over 100 years ago, a small group of farmers united in a common interest – to lift agriculture to new heights, while laying a firm foundation for the future. Working together, their ingenuity, hard work and compassion helped ensure greater prosperity for all. Today, Frontier Cooperative is still owned by the people we serve. And those people and their dreams act like a beacon to guide our way, each and every day. Our cooperative efforts affirm a culture that's about more than nine-to-five and year-end yields. We serve the communities we live in, delivering access, ideas, and confidence to uphold the dreams and aspirations of all we serve. Seasons change, generations come and go, but our commitment to greatness is boundless and immovable.

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Letter from the CEO

By now we are a few weeks into the unification, and things are running pretty smoothly. The leadership team has wrapped up most of the loose ends, and we hope this finds you thinking the unification wasn't that big of a deal, as our focus was to make the transition as smooth as possible for our customers and employees. As you read this, you are likely preparing for harvest, and let's hope Mother Nature cooperates a little better than last fall, winter and spring.

The Board of Directors reorganized in late August for the unification. First, Midwest Farmers Cooperative downsized its board from 12 members to nine members to match Frontier Cooperative. There were three volunteers to step down from the Midwest board: Wade Nutzman, Scott McGill and Dave Wehrbein. We want to thank them for their many years of service and dedication to making your cooperative better today than when they joined.

Nominations were then submitted by the board for Chairman, Vice Chairman, Secretary and Treasurer. The board then voted on these nominations. The results are: Chairman, Neil Stedman of Burr; Vice Chairman, Greg Sabata of David City; Secretary, Doug Noonan of Tarnov; and Treasurer, Mark Weber of Adams. We want to congratulate these board members. The leadership team looks forward to working with them and the entire board.

In August, the board and leadership team worked to revise our Mission Statement, Vision Statement and Core Values. We are pleased to present them to you, and hope you will see this to be the driver in all that we do.



Jeremy Wilhelm
Chief Executive Officer

Finally, check out our new website at www.frontiercooperative.com. While there, you will notice some of the same great features of weather, grain markets, cash bids and ag news. Also look into the Customer Login features where you can now pay your bill online through Bill.com.

Thank you for your business and continued support. Exciting things are in store for your cooperative, and we look forward to serving you! ■

Tagline: *Our slogan.*

"EXPERIENCE THE DIFFERENCE"

Mission: *A statement that defines the purpose of the organization and a framework for what we do for our customers.*

Empowering our team to provide an experience that enables our owners and communities to prosper.

Vision: *Exactly that: A vision. The BIG Picture and where we want to be in the future.*

Leading the way to develop generational success.

Core Values: *Our fundamental beliefs. Traits that convey our culture.*

Do the Right Thing.

Make a Difference.

Better our Best.

Create Opportunities.

Support the Frontier Family.



Pre-Harvest Update

"Beautiful, beautiful snowflakes, floating down to earth. All created to be unique, each holding significant worth." ~ Mandy Williams

Everyone says no two snowflakes are the same. We may search and find similarities, but no two crop years are exactly the same, either. Each year comes with its own sets of challenges and opportunities. The 2019 crop year has had an abundance of both. There's been flooding, delayed planting, market volatility, USDA Reports, and tariff Tweets. There may be some similarities to other years, but at the same time, this year has definitely been "unique."

In addition, 2019 saw the patrons voting to approve the unification of Midwest Farmers Cooperative and Frontier Cooperative Company. As we've worked in unison to prepare for the combining of these two companies, we've also been preparing for the upcoming harvest. There's not much time between Labor Day and the first combine rolling through the field to get things in order.

While we've tried not to make a lot of drastic changes to policies and procedures, you will notice some nuances as we roll into harvest. There have been questions around storage policies and rates. Any changes with storage rates will be very slight, and none will be increasing this fall. It feels like the local crop will have pockets where production will be a little lighter than what we've had the past couple of years. As a result, there won't be any minimum storage or delayed price charges this harvest.

The length of "free time" to make a decision after grain is delivered will be 10 calendar days following the average delivery date. This is not a change for the Frontier patron, and a change from 15 days for Midwest patrons. We need bushels to get applied to contracts as soon as possible. This allows us the ability to move those bushels out to market and make space for more harvest.



Bryan Choutka
Senior VP of Grain

Bushels can be sold after market hours. This is not a change for the Midwest patron and is new for Frontier. Starting off, we plan to buy until the market closes and pause until the afternoon's bids are posted. We'll resume buying grain until 4:00pm. This should give everyone a few hours in the afternoon to sell bushels and still give us time to balance the position before 5:00pm. You are always welcome to place offer targets to price your grain. These orders work in both the daytime and overnight sessions to lock in the price you're shooting for.

Please make sure that you get a copy of the new discount schedule for this harvest. Schedules will be available at the elevator counters, or you'll be able to find it on the new company website, (*click the Grain tab and scroll to the Contracts, Policy, Discounts section*).

On behalf of myself and the entire Grain team at Frontier Cooperative, we would like to wish you a very safe and prosperous harvest. We appreciate your business, and look forward to serving you in the future. ■



Open for Operation

Welcome to the new Frontier Cooperative! We are all excited to be part of the Frontier Family and look forward to being part of your success today and long into the future! My name is Craig Schultz, and I am the Chief Operations Officer for Frontier Cooperative. I have been involved in agriculture since a young age working summer jobs on the farm and feedlot during my high school and college years and then starting a career being involved in the grain business and cooperatives for the past 24 years. A lot has changed in how we do things, just as it has on your own farms. Bigger equipment, larger and more storage with faster dumping at your local facilities; bigger and better sprayers and dry fertilizer equipment with the latest technology to give you the information you need at your fingertips. As we prepared for the unification of Midwest Farmers Coop and Frontier Cooperative, we were able to work through a lot of the behind-the-scenes action that takes place when running your cooperative each day. To better serve the customer, we have created 5 regions for our full trade area. These 5 regions will be managed by our Regional Operations Managers that will report to the Operations department.



Craig Schultz
Chief Operations Officer

The last couple of months have been busy for the team getting ready for the unification. We have worked diligently getting the new logo on the doors on our cooperative vehicles and the new signs hoisted into place at our locations. We have worked hard to ensure a smooth transition for all of our employees and patrons, processes were developed and put into place, and people were ready to go on September 1. Harvest is coming on fast in some areas, so locations are getting their last-minute repairs done, ground piles are getting bladed and tarps are on the way, and the last of the bushels are heading out the door. Our goal is to get you in and out of our facilities safely and efficiently. Safety is our top priority for our employees, customers, and owners. Please take your time this harvest season and be safe in everything you do! ■





BOARD OF DIRECTORS



Neil Stedman, Chairman - Burr, NE
 Greg Sabata, Vice Chairman - David City, NE
 Doug Noonan, Secretary - Columbus, NE
 Mark Weber, Treasurer - Adams, NE
 Chris Kloke - Ames, NE
 David Stander - Ashland, NE
 David Stubbendick - Avoca, NE
 David Wendt - Murdock, NE
 Duane Bremer - Palmyra, NE

Gale Janak - Brainard, NE
 Jeff Maahs - Waverly, NE
 Jim Buchholz - Otoe, NE
 Jim Woita - Malmo, NE
 Justin Coffey - Columbus, NE
 Kevin Henrichson - Ceresco, NE
 Mark Jones - Osceola, NE
 Ron Ehmen - Syracuse, NE
 Tim Bartek - Ithaca, NE

The Value of People, Community & Collaboration

It's hard to believe that fall harvest is knocking at our door; there are so many things that have happened over the past six months. I'm just not sure where our summer went! One thing that I am certain of is that I am proud to be part of the great team at Frontier Cooperative. We are working every day to create a legacy cooperative that serves by doing and leads by example. As VP of Nutrition, it is my job to lead a team that provides top-notch services, innovative solutions, and reliable products.

Being in the feed business for 25 years, I have experienced a lot of change. Sometimes I lead change, and sometimes change leads me. I believe that when the rate of change inside a company is slower than the rate of change externally, that can signal that the end is near. If we find opportunities and act on them, change will be easy. Leading in technology and systems is trendy, but the consistent method that works is "people still do business with people."

That's why our feed teams take customer success seriously, and we work every day to find solutions on the farm that fit our producers' needs, not ours. I believe our clients deserve high quality; our



Russ Vering
VP of Nutrition

production teams work every day to make the customer experience with Frontier the best it can be.

I like to look at feed as a new frontier. As long as I've been in livestock nutrition, I have enjoyed the people I've met and the relationships I've built. At the end of the day, we do business with people whom we can trust and rely on. We strive every day to achieve that level of relationship with our customers. Are you happy enough to recommend Frontier to a friend or a family member? A solid "Yes" to that question is our goal. We strive to do everything that serves our clients in the best possible way. So the next time you see a Frontier feed truck, think about the value of people, community and collaboration.

Go Huskers!! ■



Laying the Groundwork for Combined Data & Processes

Preparation for the unification between Frontier Cooperative and Midwest Farmers Coop started several months before September 1, and we were very busy laying the groundwork for the combined data and processes. This included the accounting software, email, fuel cards and several other programs and processes that run behind the scenes. I am Marsha Whetham, and I will serve as the Chief Financial Officer for the new Frontier Cooperative. My team oversees finance, accounting, inventory and information technology.

We are very fortunate to have experienced individuals from both organizations working together as we go forward. The Senior Controller, Kay Kudlacek, will stay at her office in Brainard, as will the IT Manager, Jared DeWispelare. Norma Jones, Controller, will remain at her office in Elmwood. Credit Manager, Bob True, will be at the Lincoln office along with Craig Beougher, Inventory Control Manager, and myself.

While you will notice some changes, the Board of Directors and leadership team have worked diligently to select the best policies and procedures from both companies as we move forward. We will offer options in how we deliver information and statements to you and also for how you can see your transactions online, or pay your account by electronically using your bank account and how we can pay you for grain electronically. To learn more



Marsha Wetham
Chief Financial Officer

about these options, you can visit our website at www.frontiercooperative.com. Select the Customer Login tab at the top, and you can sign up for Email/Text Alerts, Statements by Email, iView, Bill.com or ACH grain payments.

Earning patronage and equity is one advantage that differentiates doing business with your cooperative instead of a private or publicly traded company. The Board of Directors is committed to allocating patronage to the members and following the equity retirement plans currently in place for both companies. Because of 1099 reporting requirements, Midwest Farmers Coop patrons will receive any 2018-2019 patronage allocation in December 2019 instead of January 2020. Any DPAD (*Domestic Production Activates Deduction*) will also be issued prior to the calendar year end. Per Unit Retained information will be reported by whichever cooperative purchased your grain, so it is entirely possible in January 2020 that you could receive a 1099 from both Midwest Farmers and Frontier Cooperative.

Thank you for your continued support of the new Frontier Cooperative. Our members and patrons are the reason we are here, and your success is our ultimate goal. ■

Online Bill Pay - It is our goal to make your financial transactions as safe and secure as possible. We now offer patrons the ability to make payments online using your bank account through a program called Bill.com. This is a voluntary program provided at no cost to you. Those who participate will receive your monthly statement by email and receive an invoice from Bill.com, which allows you to schedule your payment. You also have the option to set up your account to pay automatically each month when

your invoice is generated. Bill.com is completely secure. Firewalls are in place to prevent unauthorized access to servers and all sensitive data is encrypted.

To set up online bill pay, please visit our website. Select Customer Login at the top of the home page. Click the "Bill.com Sign-Up" button and fill out the form. Your email address is for Bill.com purposes only. If you have questions, please contact Virginia Franey at Virginia.Franey@frontiercooperative.com.



Just like the unique treatment of our brand, Frontier provides the most positive and unique experience that no one else can offer. Our logo is like our symbol that tells the world who we are; it's an expression of the special Frontier experience. We're not afraid to do things a little differently, or to explore new ways to support our communities, if it means greater results for our customers.

Preventative Maintenance & Early Energy Planning

I have been in the Energy field for over 36 years. I started my petroleum career managing Farmers Union Coop Oil of Dodge and Howells from 1983 until 1997. I then joined a team with CHS. Inc., where I helped develop the RFD (*Refined Fuel Delivery*) System, now used in several states. In 2003, I became the Petroleum Manager for Husker Coop, which merged with Frontier Cooperative in 2014. Today, I am very proud to be the VP of Energy for Frontier Cooperative. My wife Linda and I are going on 32 years of marriage and living in Columbus, Nebr. I have one daughter (*Morgan*), two sons (*Garrett and Brant*), and four grandchildren. I love spending time with my family and being outdoors. I am very proud of my team at Frontier Cooperative and the experience we have to offer.

I would like to talk a little bit about our new website. We now have the ability for customers to order fuel and propane online under the Energy tab. We have made it very user-friendly. The orders will be emailed to both our Brainard and Elmwood locations to be processed and delivered. You also have the ability to contract through the website.

Looking ahead to harvest, according to our fuel suppliers, inventories are good with some low-priced values. This is a good opportunity to fill your tanks. Remember with cold weather right around the corner, it's a good idea to be prepared for the effects that cold weather has on diesel fuel. The majority of winter problems concerning diesel fuel stems from moisture and contaminants in the fuel rather than from gelling. A little preventative maintenance can go a long way in reducing problems and costly downtime as a result of clogged filters. Proper tank maintenance can help prevent problems. We offer a tank cleaning program that removes all of the contaminants and moisture from your tank. With propane prices being the lowest they've been in several years, it would also be a good time to fill tanks on corn dryers and home heating.



Randy Birchem
VP of Energy

In addition, propane contracts for winter and next year's irrigation season look really good. We can contract your propane needs as far out as the 2020/21 season, so please consider the different contracting options. We will begin to deliver bulk oil in early September, and we would love to help you with your oil needs. Please call one of our Energy advisors and experience the difference of doing business with Frontier Cooperative. We would be glad to help you with all your petroleum needs. We strive for excellence, a great experience, competitive prices and quality products. Have a safe harvest season! ■



Preparing for Next Year's Crop

I would like to take this opportunity to introduce myself. My name is Dave Reese. I grew up on a family farm near Nebraska City where the majority of my family still resides. I am a graduate of the University of Nebraska-Lincoln with a Bachelor's degree in agricultural business. I am proud to say that I have been with this organization for nearly 27 years. During that time, I have seen mergers and acquisitions that have helped make the cooperative system in Eastern Nebraska grow stronger. Having said that, I believe the current unification of Midwest Farmers Cooperative and Frontier Cooperative will provide even greater value for its members for many years to come. By unifying these two strong cooperatives, I believe we have created a strong organization that is well-prepared to tackle the challenges facing the ag sector in the future and that is committed to helping make our members successful for years to come.

As we start to prepare for fall harvest, it is an excellent time to prepare for next year's crop. To prepare for next year, the first step is to take an inventory of the nutrients in your soil. We offer numerous options from conventional to grid soil sampling. By taking an accurate inventory and matching it up with your



Dave Reese
VP of Agronomy

yield goals for next year, we can determine what nutrients will need to be added to your soil to allow you to meet your yield and profitability goals. By setting up your orders for soil sampling now, we can get the samples taken when the combine leaves the field and be ready to apply the nutrients you need yet this fall.

Winter annuals continue to be a major problem in no-till cropping systems in Eastern Nebraska. One of the most effective ways to control winter annuals is a fall burndown program. Winter annuals tend to start growing in the fall and are very susceptible to herbicide applications at that time. In addition to the burndown, we can also add a residual herbicide in the fall to help delay weed germination in the spring. Starting with a clean field in the spring helps to maximize yield potential.

Fall fertilizer contracts are now available. We currently have contracting options available for liquid fertilizer, dry fertilizer and anhydrous ammonia. These contracts are an excellent way to lock in some of your input expenses at a reasonable price. Typically, as we get closer to application time for fertilizer, the prices tend to gain strength. By locking in prices now you can save some money on your input expenses for the upcoming year.

Contact your local Ag Advisor if you have any questions about how we can help you reach your goals for the upcoming year. ■



Proudly Sponsoring Our Local FFA

September marks the official start of the 9th annual "I Believe in the Future of Ag" fundraising campaign. This campaign serves as an outlet for local FFA chapters to receive donations for innovative projects in their classrooms, leadership programming, community service projects and field trips to advance agriculture education in their schools.

Frontier Cooperative is a proud supporter of Nebraska FFA and a corporate sponsor of the "I Believe" campaign. Corporate partners provide support for an educational campaign for FFA and agricultural education in Nebraska and support fundraising efforts at the local level. "Local FFA chapters and agriculture education chapters play an integral role in growing and

developing future leaders in agriculture and in our communities. I see this campaign as a very important tool to help those chapters have the resources they need to grow leaders and build communities," says Stacey Agnew, Nebraska FFA Foundation Executive Director.

Donors to the "I Believe in the Future of Ag" campaign choose which chapter they support. One hundred percent of each local donation will be sent back to the designated chapter at the end of the campaign and a portion of the \$35,000 challenge matching pool will be distributed to participating chapters. To donate to a local FFA chapter, contact your local FFA advisor or visit neffaoundation.org. ■

Rebranding the HR & Safety Department

As the integration of Midwest Farmers and Frontier Coop unfolded, there were many good articulated questions about what business will look like for our customers going forward with grain, agronomy, feed and energy. Behind the scenes, there are other departments which support these four business units that were also deep into how are we would modify or develop programs and policies to serve our employees. As the integration moved forward, rebranding the new company drew a lot of attention. What a great opportunity to also rebrand the HR and Safety department.

With the ever-changing workforce demographics and work cultures, there was a need to rebrand the HR office and advance our mission in the areas of career development, building work teams, and enhancing our leadership/management skills and knowledge. With a new addition of workplace safety into the HR office in December 2018, we are also focused on advancing our safety culture to include more awareness and accountability, hands-on training and development, and teaching managers how to coach and mentor their staff in all areas of personnel and safety. This in turn provides a safer location for our patrons to visit.

Therefore, the People Engagement & Safety Department was born. My role in leading this department is to provide leadership and day-to-day management for a group of very talented individuals. They truly make the business we handle very rewarding. My background has been in human resources for 35 years in various leadership roles. I joined Midwest Farmers Cooperative in 2013. At that time, I was an office of one with about 80 employees. When we merged with Farmers Cooperative of Waverly in 2014, we grew to an office of two that serviced 165 employees. In 2018, the Safety and Department of Transportation, DOT, compliance offices were moved into the HR office. We then hired two individuals to perform truck driver compliance and safety duties. Today, with this



Mike Carroll

VP of People Engagement
and Safety

integration, the office has grown from four to seven staff members that are tasked with providing personnel, safety and DOT services to over 400 employees.

As the new People Engagement & Safety Department, we are driven to provide fair and equitable services to our employees and to provide a safe culture that ensures all of our employees return home at the end of the day. We are excited about the new opportunities with our new company and are ready for any new challenges that come our way. ■

Below: Employees attended Driver Training Classes held at the corporate headquarters the second week of September.



Marketing Strategies

I started my career at Frontier Cooperative in 2002 as an intern and was offered a full-time sales/operation position at the end of my internship. Throughout my career with the company, I have had several opportunities that have offered me some really great experiences in all areas of our business. In our new company, I will be the Chief Marketing Officer that will focus on leading the marketing and customer relations teams across all business units. It is important that this team has the adaptability and the agility to meet our ever-changing needs and that will come through continuous personal development and education. We will consistently be working on improving our customers' experience with their cooperative. I'm very passionate about agriculture and believe it's crucial for us to help create awareness of how essential Nebraska agriculture is to feeding the world. My wife Michelle and I reside in Wahoo where she is an RN at our local clinic, and we have three children Ashlyn 9, Evelyn 6, and Tate 3.

Have you taken a long trip recently? If you have, I bet you put some thought into how you would get there: drive or fly, what hotel you might stay in, or what adventures you might do. Variables come into play, and you may need to make some changes to the original plan, or you find a more efficient way to get from point A to point B. It's a lot easier to modify a plan rather than trying to create one on the go.

You planning for a trip is very similar to how we at Frontier approach your operation. We want to eliminate having to make rapid decisions on the fly that will start a roller coaster of emotions that result in unpredicted expenses or lack of production.

Having a plan that helps you make decisions on crop inputs, grain strategies, energy usage, and livestock production will ensure consistent return on investment. This is the first step of the Ultimate



Jon Brabec
Chief Marketing Officer

Acre System, a customized farm plan for your operation that starts a full cropping season or more in advance. Our systems approach helps producers and your trusted advisor remove some of the variables that are presented to us each year and puts the focus on making pragmatic business decisions that positively affect your bottom line. If you would like to learn more about Frontier Cooperative's Ultimate Acre System, please contact one of your local Ag Advisors. ■



Uniform Recycling Program

Frontier Cooperative has partnered with DRIVE Marketing Group and recover brands to turn old uniforms into recycled Tshirts!

The goal of the program is to inspire employees to recycle their old logo uniforms in a responsible, environmentally friendly way and encourage staff to wear new logo items to help establish our new brand!

Employees who donate their old logo uniforms are eligible to receive up to three new logo Tshirts made from 100% recycled water bottles and recycled fabric. Throughout the month of September, employees could bring in old uniforms to various locations around the company.

Not only are Frontier employees doing their part to be environmentally friendly, but they also can wear their newly branded threads with pride! ■

HOW WE CREATE RECYCLED GARMENTS

Since 2010, nearly 5.4 million plastic bottles have been diverted from landfills by using them in the recover recycled garments.



8

Recycled bottles make one shirt.

35%

Reduction in green house gas emissions

65%

Reduction in energy consumption

55%

Reduction in water consumption



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