



Key Field Marketing Specialist Greg Artz (far left) with Iowa State students at the Ag 450 Farm. The course has been part of the university's agriculture program for decades.

IN THIS ISSUE

Soil Moisture Still the Elephant in the Room	2
2022 Board of Directors	4
What Are Carbon Credits?	5
Welcome New Field Marketing Specialist	6



CONNECTIONS

A publication dedicated to informing and connecting members.



Key Perspectives

We are in this together

By Boyd Brodie, General Manager,
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WHEN WE TRANSITION to spring, we're typically optimistic about the opportunity a new year brings. We look forward to the upcoming season with enthusiasm

continued on page 6

Putting Science into Practice

A peek inside the Iowa State University Ag 450 Farm

By Sara Clausen, Director of Communications, Sara.Clausen@keycoop.com

MARCH 20 is the first official day of spring, which naturally brings with it a sense of life, new beginnings and Iowa's changing landscapes. You know what Key Cooperative sounds like right now—our farmers and employees are abuzz with planting stories, yield expectations and weather predictions. At Iowa State University, one very unique class is offering these same real-life conversations to its students.

All the students in agriculture classes at ISU know about the Ag 450 Farm. In fact, if you're planning to graduate with a degree in ag studies, it's a required capstone course. However, many other students take the course because it offers a one-of-a-kind experience that can never be replicated in a typical on-campus setting. To report to class, you have to be okay with getting dust on your car, because your classroom is on the farm!

continued on page 3



Soil Moisture Still the Elephant in the Room

By Zack Gardner, Grain Marketing and Origination Specialist, Zack.Gardner@keycoop.com

WHEN I DRAFTED this article, soybeans were taking their first significant breather after rallying essentially \$2.00 in just two weeks. The market is very volatile right now, and the South American drought is still in the driver's seat. They haven't received any significant relief since the drought started—maybe a rain here or there to help the soybean crop limp along, but nothing to replenish soil moisture.

I definitely think the USDA needs to keep lowering Brazil's soybean crop estimates, but not as low as a lot of private estimates are calling for. I don't think the drought will have as big an effect on Brazil's soybean crop as everyone says it will. I mention their soybean crop for a reason: I think the elephant in the room is Brazil's soil moisture as they enter their *safrinha* (second) corn crop.

As a whole, Brazil is 26 percent through their soybean harvest. Most of the harvesting has been done in the northern region, where they've received good rains. Very little harvesting has yet to be done in drought-stricken southern Brazil. Combines started moving into the southern states in late February, so by the time you

receive this newsletter we should be learning of southern Brazil's yields. I'm betting Brazilian farmers will be much like we were this past fall, wondering how they pulled off such a good soybean crop with such little rain.

Why am I not very concerned about South America's soybean crop? It's because seed genetics are better than your favorite grain market analyst. It's simple: Bullish news stories sell. The more bullish, the more clicks or views an article gets. Why do you think these South American crop estimates keep getting lower and lower, and that no one has come out and said, "Maybe not that low?" That article wouldn't get enough views! But seed genetics make drought-resistant varieties. They plant wheat in southern Brazil for a reason. I'm willing to bet they pair seed genetics with the various climates in South America, just like we do here.

Before you think this is another article about how Brazil will be fine despite 30 percent of the country being in a drought, it's not. Again, soil moisture is the elephant in the room. It's recently been joined by another elephant—the Russia/Ukraine war, which is also

making the room smaller.

There really are only three major grain producing and exporting regions in the world: the United States, South America and the Black Sea (Ukraine and Russia). The Russian invasion of Ukraine has taken out the Black Sea as a global grain exporter. Ocean freight costs are already rising to offset the risk of going into the Black Sea versus the extra distance to load out of the United States instead.

Even as the situation in the Black Sea develops, soil moisture in the U.S. and Brazil remains a big elephant. Usually, crops can get by in the first year of a drought by relying more heavily on soil moisture. However, we're coming into the new crop with empty tanks in both the U.S. and Brazil.

The world is screaming for grain right now. What are the odds we can get enough rain this spring and summer to offset the lack of soil moisture here in the United States? How about the odds Brazil can do the same? Or that both regions can produce above average crops to make up for Ukraine's lack of exports due to war with Russia? It seems like a tall order. ●



"I like Ag 450 because I get to make decisions and execute. The course gives students the freedom to try something different if we want."

— ISU senior Summer Richmond

The concept of the course and the farm was developed in 1938. A few years later, the original 187-acre farm was purchased. "Our goal is to create an environment for students where they can put their science into practice," said Assistant Teaching Professor Skyler Rinker. "We want this course to give students the opportunity to improve their critical thinking and problem-solving skills and create learning activities they could face in real life."

Today, the 100 percent self-sustainable farm consists of:

- A full-time farm operator
- Over 700 acres managed by the students
- Another 1,500–2,000 acres of custom farm work
- A custom-fed hog finishing operation

The course, led by Professor

Rinker, welcomes 30–60 students every semester and has countless industry partners, including Key Cooperative, that offer educational experiences. "For about a decade, I've been an industry presenter," said Key Cooperative Field Marketing Specialist Greg Artz. "It's wonderful to talk to a group of students from all over. It gives me perspective on what the next generation is thinking about. I can't imagine a better survey than talking to this group."

In a typical week, the class includes formal business meetings on Tuesday. Then on Wednesday and Thursday, students have labs where they can dedicate time to their committee work. "Students select one of six committees to be part of," said Skyler. "The committees define issues and research. They gather and analyze data, then make recommendations to the rest of



Key Cooperative's Greg Artz recently presented to the Ag 450 class. He's been an industry presenter for the course for many years.

the class."

The committee work ultimately drives decisions and the management of the farm operation. After a committee presents its recommendation, the class votes on a decision and puts together a plan to implement. "There isn't one right answer to an issue," said Skyler. "This process allows students to justify their solutions, while also learning how to adjust."

To read the full history of the Iowa State University Ag 450 Farm, watch videos or contact the class, visit www.ag450farm.iastate.edu. ●

Students work in committees that make recommendations on decisions and the management of the farm.





Get to Know Your 2022 Board of Directors

KEY COOPERATIVE has been governed by a 12-member Board of Directors for more than a century. The election takes place in December each year, and new directors are announced at the Annual Meeting in January.

This year, we are pleased to welcome both Branon Osmundson and Ryan Bell back to the Board for another term. We thank Ron Roseland of Marshalltown for serving Key Cooperative as an associate director for the past two years. A new associate will be appointed in the next month to fill Ron's seat.

**Directors must be a Class A member in good standing, serve a three-year term, serve on one or two additional subcommittees and attend monthly Board meetings.*

Thank you to the following for representing our member-owners in 2022!

Perry Ritland, President - Zearing
Bryce Arkema, Vice President - Pella
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Brian Larsen, Assistant Secretary - St. Anthony
Ryan Bell, Treasurer - Newton
A.J. Christian, Northwest Associate - Roland
Mike Engbers - Lynnvillle
Chad Hafkey - Grinnell
Dave Hassebrock - Ames
Mark Tjernagel - Roland
Megan Veldboom - Grinnell

Explore a Career with Key Cooperative!

We're looking for employees to join the Key Cooperative family!

Maybe you've always thought about working professionally in ag, maybe you're looking for the stability a cooperative can offer or maybe you know someone who is ready to end their job hopping and find their lifelong career. The Key team could be the answer.

We have a diverse list of open opportunities! Search for Key Cooperative Careers on Facebook or scan the QR code to visit our careers website!





What Are Carbon Credits? Are They an Option for My Farm?

By Brandon Hansen, Sales Agronomist, Brandon.Hansen@keycoop.com

AS CONCERNS escalate over the long-term impacts of climate change, farmers are finding themselves at the center of a new opportunity: carbon sequestration. This is the process of taking carbon from the air and storing it in the soil. This carbon can be measured and monitored, becoming an asset that's treated as a secondary commodity crop.

The sale of carbon credits gives farmers the opportunity to receive financial benefits for transitioning to more environmentally friendly practices (although carbon prices may not currently be high enough to cover the cost of switching practices). In other words, farmers can get paid for environmental efficiency and soil quality.

There are two commonly asked questions about carbon credits:

1. How do you measure soil carbon?
2. How much are carbon credits worth?

Factors like vegetation, soil characteristics, drainage and climate affect the length and amount of carbon storage. Soil carbon can be measured in several ways, including soil sampling and modeling (or a combination of both). Different entities use different methods for their accredited programs, but these methods must be approved by a registry like The Gold Standard and an independent, third-party verifier.

Information about carbon markets can be challenging to navigate, as each company typically has a different structure for payments, verification and data ownership. However, just like used cars, the value of a carbon credit

depends on who is buying and selling it. A carbon credit can be sold for as little as \$3 or \$4 per ton, or as much as \$47 per ton. The majority of credits fall in the range of \$10 to \$15 per ton.

Companies will spend millions of dollars on carbon credit programs to show consumers they are concerned with the environment. For an example, look at the recent Microsoft offer of \$20 per ton of offset carbon. That is a very generous offer in the current market.



Key Cooperative is committed to playing a key role in helping our member-owners participate in carbon and other ecosystem markets, which right now feels like a surfboard on the edge of a tsunami. Precision conservation tools—such as the Truterra™ Insights Engine—will be crucial as we guide farmers in adopting field-specific carbon sequestration practices, while also addressing whole-farm profitability. In the near future, there will be more demand for carbon credit opportunities than supply, so now is the time to get your operation ready. Planning today will help you make a decision when the right carbon program comes along.

If you have any questions about the Truterra Insights Engine or carbon credits, please contact your local Key Cooperative Agronomist. ●

**ATTENTION,
High School
Seniors!**

The Key Cooperative Community Scholarship Deadline Is Approaching! Applications are due March 28, 2022

Key Cooperative will award twelve \$1,000 non-renewable scholarships this spring. To read the scholarship criteria or download the application, visit www.keycoop.com or contact your local Key Cooperative office.

Applicant's major course of study should be in an agricultural or ag business field. Other acceptable majors include animal science, communications, information systems, accounting, carpentry and masonry construction.

**Students must have a parent or guardian who is a Class A or Class B member of Key Cooperative in good standing.*

and eagerness, just waiting for the thrill of planting. However, the feeling is different this year. It's only March, and 2022 is already shaping up to be greatly challenging in many ways.

Let's break down our current situation. We had a great harvest and an ideal fall for extended field work. We also experienced some positive swings in the markets that improved our old crop price averages earlier than expected. In many cases, those improvements have allowed us to get our storage cleaned out before planting season. Many growers have applied a lot of high-priced fertilizer and are firmly committed to increasing their already significant investment into this year's crop.

On the flip side, we're all well aware of the ongoing logistical supply chain and production issues that are impacting many product streams. These issues will not be solved any time soon, and they will continue to create random product shortages, substitutions and related price hikes. As a result, we may all be forced to change strategies on the fly. I'd like to hope most things will go as planned, but we all need to be prepared to pivot if they don't. The primary objective will always be to plant when conditions are ideal and get the best start possible for this year's crop.

Beyond our domestic issues—from inflation on hard

goods to labor shortages across every sector—we're all watching the recently heightened global instability. Clearly the Russian war in Ukraine has immensely compounded the turmoil in all markets, from commodities to currencies. In addition to that, the continuing tension between China and Taiwan impacts grain markets. Both these global instabilities are likely to further extend product shortages, impede trade and put considerable pressure on our already fragile global economies.

It's no surprise there's unprecedented stress this season, but how do we perform our best with all this commotion in the background? I advise focusing on what we can control. I can't overemphasize the need to communicate well throughout the year. Stay in touch with your agronomists, energy specialists and originators. Beyond planning and contracting, we need to refresh our plans as we head into the fields this spring to avoid any surprises. We must continue to sell into these new crop markets to at least match our input commitments. The level of potential volatility is too high not to have a position to work from and continue selling to take some of this unprecedented risk off the table. Finally, we need to remember we are in this together as essential business partners. Together, we can work through whatever challenges 2022 presents. ■

Getting to Know You

Key Cooperative welcomes new Field Marketing Specialist

COOPERATIVES SHOULD be known for hiring "typical farm kids." After all, our employees are simply a reflection of the farmers we serve. This winter, we're quite proud to introduce Brett Monahan, the newest farm kid on the Key team!

"I grew up in Lohrville, Iowa. Wherever my dad went, I went," said Brett. As expected, Brett could be seen running a field cultivator, a disc, a planter or, of course, picking up rocks in the field at a young age. When it came time for him to decide what to do after high school, an ag business degree from DMACC made for a great next step.

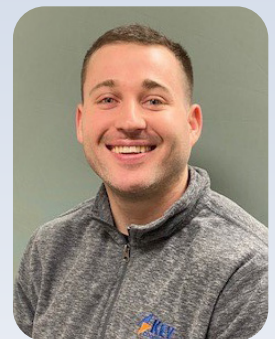
Following college, Brett gained valuable experience as a merchandiser, doing his own hedging and managing the entire grain process for his customers. "I'm excited about the collaborative effort and to be part of a team at Key," said Brett.

"Additionally, I'm looking forward to working with markets, while also meeting with growers regularly."

Brett had the opportunity to start out strong as a field marketer by attending Key's winter grain and crop insurance meetings to get to know our growers. In the year ahead, he plans to obtain his broker license and potentially become licensed to assist with crop insurance.

"I look forward to being able to go out to farms to see customers again," said Brett. "I'm ready to help growers who treat their farm as their business, not just as a job."

Brett can be reached on his cell phone at 641-780-0555 and by email at Brett.Monahan@keycoop.com. ■





March 22 Is National Ag Day!

TAKING TIME to “celebrate” agriculture probably isn’t something the members and customers of Key Cooperative do very often. But why not? Pausing to recognize all that we produce, grow and harvest in this state should come second nature to us. It’s what we know—it’s how many of us grew up and continue to raise our families. Each March, producers, agricultural associations, corporations, universities, government agencies and countless others across America join together to recognize the contributions of agriculture to our society. **Won’t you join us?**

Tag @keycooperative as you post your photos on Instagram this National Ag Day. Show us why you love agriculture! We’ll give you a ♥!



2022 Spring Lubricant Sale March 1 - April 30



Key Cooperative Offers a Full Line of **CENEX® Brand** Lubricants with **Wear Saver Technology™**

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CHAD LARSON
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RICK KUCERA
641-780-1624

BOB RABEY
641-521-6318

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**These members have
unclaimed patronage
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- Colleen DeHoedt
- Larry Groenendyk
- Roberta Hoopes
- Mehl Kaare
- Charles Lusher
- Lester Shickell
- Darlene Vander Zyl

If you know them, please
contact Vicki Gruhn at
641-260-2111 or email
Vicki.Gruhn@keycoop.com.

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PHOTO CONTEST WINNER: ONE WINTER EVENING

By Grant Brown, Key Energy Technician



*This photo was snapped at sunset
on a recent propane delivery.*

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**WE ARE
KEY**

Would you like to see one of your photos featured on this page? Enter the Connections photo contest, which is open to any member or customer who receives our newsletter. One winning photo will be selected and placed in the newsletter. **Winning photographers will receive a \$20 gas gift card!** Photos must feature agriculture or rural settings; Iowa-based scenes are preferred. Photos must be submitted by the 10th of each month in order to qualify for the following month's newsletter. Please include your name, address, phone number and email address with your submitted photo(s).

Submissions may be emailed to Sara.Clausen@keycoop.com.

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