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In memory of Kevin Tish, Key Cooperative and Cenex® have given a \$5,000 grant to Central Iowa Outdoors Without Boundaries. Based in Newton, this nonprofit organizes hunting and fishing outings for people with physical limitations.



CONNECTIONS

A publication dedicated to informing and connecting members.



Key Perspectives

Facing the future successfully and together

By Boyd Brodie, General Manager,
Boyd.Brodie@keycoop.com

WHAT A year it's been! I know we're all glad to see 2021 after the many trials and tribulations of 2020. Since we've all had to endure

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The Gift of the Great Outdoors

Newton nonprofit honored

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

IN THESE unprecedented times, we're desperate for social experiences and to spend time near those who lift our spirits. Many nonprofit organizations who pride themselves on group events are being challenged to find ways to stay connected to their communities. However, there's one organization in Newton with the perfect business model for these strange times. All their activities take place outside and are socially distanced, but with a group feel!

Central Iowa Outdoors Without Boundaries (CIOWB) was founded approximately 15 years ago as part of a larger national organization. They recently decided to operate on their own, solely in Iowa. The volunteer-based group organizes deer, pheasant, duck and turkey hunting and fishing outings for people who have physical limitations and would not otherwise be able to enjoy these outdoor sports. The organization uses specialized equipment and a

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Breaking Down the December and January USDA Reports

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

THE DECEMBER 10 USDA report came and went with little market excitement, and we should be accustomed to this now. Yet the USDA gave us enough change to satisfy the market by actually adjusting some numbers, which they traditionally do not do in the December report. The adjustments were not too impactful, keeping the market bulls happy. The U.S. corn crop was left unchanged, while the U.S. bean crop shrunk slightly from an increase in our own country's bean crush numbers.

Digging into the bean number, the 15-million-bushel increase in bean crush came directly from the October monthly crush figure. This bean market still has very profitable crush margins, which tells end users to crush as much as they can until we run out of beans. This leads me to ask: When we do run out of beans, will the crush margins still be enough to import Brazil's bean crop to keep our own bean plants crushing?

Other than our own crop, the other exciting variables we have playing into the market are South American weather and the Funds traders. Brazil has been getting enough rain to get by, with more moisture anticipated to pop up in their December forecast. Brazil has produced record crops in other years with less than average moisture, so it's still too early to adjust their crop production estimates. It could go either way.

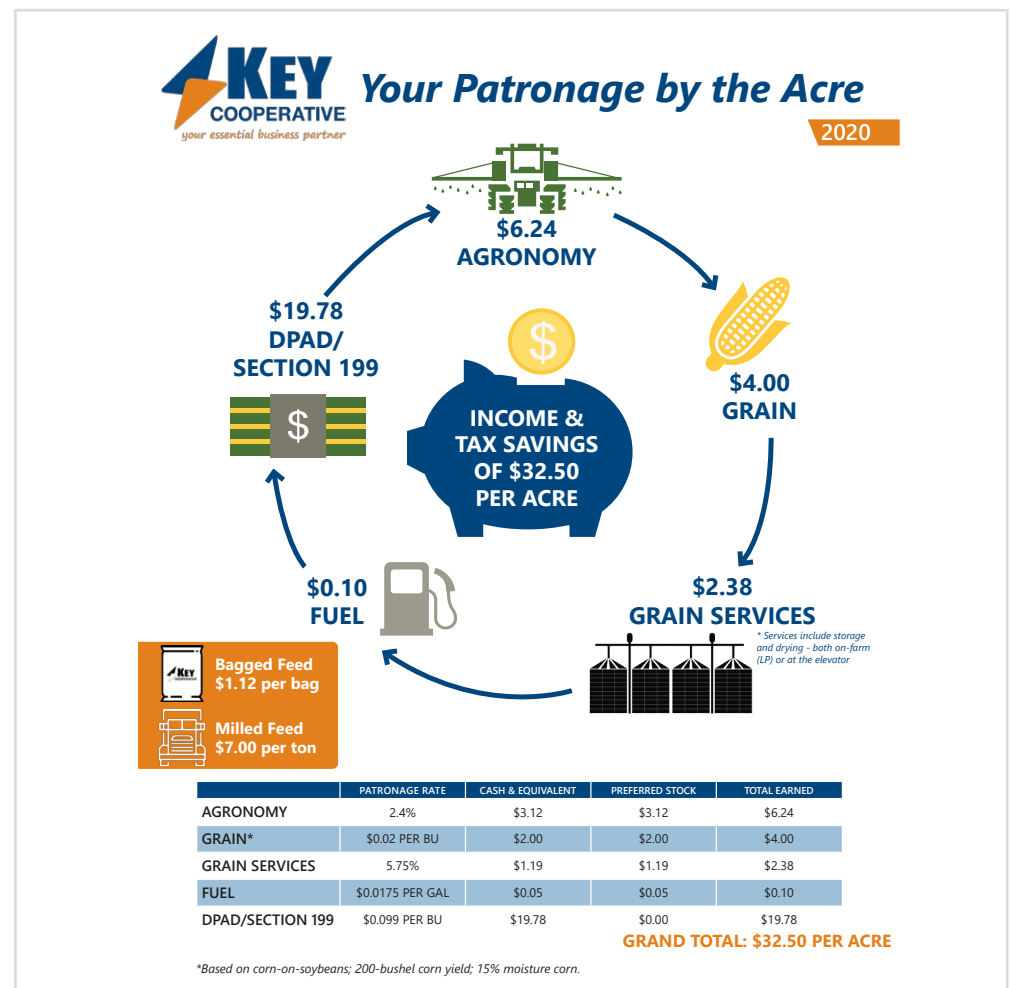
The next variable is how the Funds play into this market. The Funds have been at a near-record long recently, with Brazil being the driest it has been in the past 40 years. Traditionally, the Funds

are sellers going into the holidays, as they lock in profits for the quarter. The question now will be if they can sell to lock in some profits. Is it long-term with Brazil getting rain, or will they jump back into this market with the January 12 report?

The January 12 report is where the USDA makes the final change to yield and acres from the past year's crop. The vast majority of the market is bullish. That being said, we still produced approximately 900 million more bushels of corn in the U.S. than last year's crop. That should keep a lid on market excitement.

I personally think the yield of 184 bushels per acre that the USDA has for Iowa is too high. On one of the final

crop conditions reports before harvest, the USDA ranked our state's crop conditions as 50 percent good-to-excellent, implying the rest of the state was not good-to-excellent. If northern and southern Iowa (who missed the derecho/drought) were 200 bushels per acre, our area would have needed to average 168 bushels per acre to get the USDA's average of 184. I think there's some room to adjust their yield on harvested acres in our area, but it will take a lot of acres to eat away at that 900-million-bushel surplus above last year's crop. This then begs the question: If the USDA adjusts yield and acres, do they just offset it by lowering ethanol demand? ■



troop of volunteers to move participants to and from hunting and fishing areas.

“CIOWB is open to anyone who wants to participate,” said Joe Carmichael, a spokesman and volunteer for CIOWB. “Since many of our participants are wheelchair-bound, we try to match up a ‘helper’ with each person to ensure they get a great experience.”

Though CIOWB is based in Newton, the participants come from all over Iowa to enjoy the annual activities. Just this November, the group hosted a deer hunt that included 20 hunters and more than two dozen volunteers.

Most of the hunting is coordinated with local farmers and the DNR in Central Iowa. The DNR opens up the deer management area located between Newton and Grinnell to CIOWB once a year for five days of hunting. “The ranger at Rock Creek State Park helps organize this event,” said Joe. “All licenses are provided through the DNR and for individuals with disabilities.” CIOWB furnishes the tags, blinds and ATVs to transport the hunters and provides lunch a few times during the event.

CIOWB holds an annual banquet fundraiser, typically in February, which often pays for the entire year of activities. “Our organization is strictly volunteer—no one gets paid, and all proceeds go to the activities,” said Joe. “No one expects anything but fun. It’s so great to see the participants’ faces when they accomplish what they’re after. I’m a hunter myself, and I get a bigger charge out of seeing them get a deer than when I do!”

Key Cooperative has a special connection with CIOWB. Kevin Tish, a Key employee, passed suddenly in April 2020. Kevin was an avid

outdoorsman, volunteer and advocate for the organization. With Kevin’s help, Key Cooperative wrote a matching grant for CIOWB in 2019 to purchase another ATV to better transport participants. As we enter 2021, another grant has been gifted and dedicated in Kevin’s name to the organization. Key Cooperative and Cenex® (the energy brand of CHS) have honored CIOWB as a source of pride to the area. As part of this award, CIOWB received a \$5,000 grant to purchase more adaptive equipment to help expand their programming.

“Because of CIOWB, people who might not have been able to before can now participate in outdoor activities like hunting and fishing,” said Scott Richardson, Key Cooperative’s Energy Division Manager. “We’re proud to honor Kevin and support their programming and mission to give folks with physical limitations equal opportunity and access to the outdoors.”

If you would like to learn how to become a participant or volunteer of CIOWB, check them out on Facebook or contact volunteers Joe Carmichael at 641-521-2119 or Ed Foster at 515-657-1247. ●

Producers in Pearls Announcement

***“Choose to be optimistic;
it feels better”***

– Dalai Lama

At Key Cooperative, we’re choosing to be optimistic in these difficult times when our fun activities are being cancelled and we long for social interaction with our friends. We will look to next year with optimism, so we can host Producers in Pearls the way we want to—in person. While we will not be hosting the event this year, we still invite you to engage with us on our PIP Facebook page. Also follow us on Instagram and share your unique agriculture photos with us. Until next year, ladies!



MILESTONE ANNIVERSARIES

40 YEARS
James Vander Weerd

30 YEARS
Paul Heins
Doug Maasdam

25 YEARS
Curt Dunsbergen
Darrell Jewell
Mark Fiscus

20 YEARS
Ann Vande Lune
Brandon Hansen
Jeff Scholten
Carna DeJong

15 YEARS
Justin McIlrath
Brandon Bickelhaupt
Brent Deppe
Valaree Muhlenburg

10 YEARS
Marty Breeden
Chris Gathman
Matt Kauffman
Daniel Hawk
Allen Scholten
Greg Artz
Stan Hawk

5 YEARS
Brian Greene
Mike Potter
James Suiter
Josh Fosenburg
Alex Fynaardt
Jared Tokle
Brandon Dunsbergen
Tyler Whipple
Nathan Sparks

1 YEAR
Cole Doerring
Grant Brown
Mitch Rohe
Trevor Long
Koltan Lundberg
Brian Bleakney
Doug Hobbs
Evan McFarland
Christopher Gehrig
Sherri Lleverino
Phil Oetker
Randy Westphal

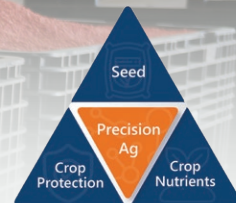
***Congratulations to our employees
who accomplished a milestone
anniversary with Key Cooperative
during fiscal year 2019 - 2020.***

Thank you for your years of service and for being an essential business partner to our member-owners.



What Is the Value of Your Seed?

By Kelly Els, Sales & Marketing Manager, Kelly.Els@keycoop.com



WHAT IS the value of your seed? That seems like an easy question, right? It's what you paid for it! The newer the genetics and traits in your seed, the more you pay. The older the genetics and fewer the traits, the less you pay.

These may seem like simple answers, but they relate to cost, which is only half the equation. The value of the seed is actually the profit potential in that seed. Profit potential is your bushel potential, less the cost of your seed. The cost of the seed is set before you plant, but the bushel potential is created after the seed goes in the ground.

Sounds easy again, right? To get the best bushel potential, you buy the best genetics and traits, plant and walk away. While this thought has some merit, it's only partway there. Each variety has a certain bushel potential, and there are different factors that play into it, like planting date, plant population, rotation, fertility, disease tolerance, insect tolerance, etc.

One of our partners, WinField® United, has done extensive testing through their Answer Plot® Program to understand

the yield capabilities of the brands your Key Cooperative Agronomists recommend, including DEKALB®, Brevant™, NK® Brand and CROPLAN®. They have tested and analyzed yield responses in four main areas: response to population, response to nitrogen, response to rotation and response to fungicide.

The goal is to find out which factors unlock the full yield potential of a hybrid. If you plant a particular hybrid, think about these questions:

- Do you need to push the population?
- Do you need to push the nitrogen?
- Do you need to plant it in first-year corn?
- Do you need to apply a fungicide?

Not all hybrids respond the same. Some need to be pushed to unlock their full yield potential, while others do not. Here are some of WinField United's overall findings from 2011–2019.

Response to Population

- Average response = 8.5 bushels
- Range of responses = 0.84–21.9 bushels

Response to Nitrogen

- Average response = 66.7 bushels
- Range of responses = 30.8–104.9 bushels

Response to Corn-on-Corn

- Average response = 14.4 bushels
- Range of responses = 5.8–36.7 bushels

Response to Fungicide

- Average response = 14.3 bushels
- Range of responses = 5.6–40.4 bushels

As you can see, there's significant yield potential to unlock, if seed is put in the right situation. The average response of 97.6 bushels—at \$3.70 corn—is \$361.12 per acre. This is the value of your seed.

Feel free to reach out to your local Key Cooperative Agronomist to find out how you can unlock the yield potential of your seed in 2021. ●

Don't miss out, high school seniors!

Key Cooperative Community Scholarships

Applications due by March 26, 2021

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

Applicants' 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.



Essential Partners in 2021

QLF® works to improve rumen performance

By Justin R. Crocheck, Senior Cattle Consultant, Justin.Crocheck@keycoop.com

WITH ANOTHER winter season upon us, now is the time to take inventory of your feedstuffs and sample what you have available on the farm. Some Key producers have already taken the initiative to have us pull samples of their 2020 forages. The test results help us to work in partnership to come up with rations that meet the needs of the cow as well as utilizing on-farm forage inventories. Cuttings of hay tested well in 2020, if we were able to put it up without complications. QLF Pasture Enhancer 40 from Quality Liquid Feeds gives us the opportunity to improve forages like grass hay and cornstalks, extending the supply of your better forages.

The sugars and proteins in the molasses-based QLF Pasture Enhancer 40 work to form an essential partnership to unlock the potential of your forages. We can unlock the energy in the forage, which is a more efficient way of getting energy to the cow than adding corn to the diet. Corn has the tendency to increase the energy of the diet, but reduces the forage intake and fiber digestibility as the inclusion increases. The effect of corn in a forage-based diet is that the energy

that we were hoping to receive from the corn in the diet is nullified by inefficient fiber digestion. Protein works to feed the “fiber bugs” with nitrogen so they can break down the fiber in our forages. This has been incredibly important this year with the amount of corn that was baled up with our cornstalks from the derecho damage. When non-protein nitrogen (urea) is added to the liquid, it readily breaks down to feed the “bugs” and provide degradable protein to the cow at the rumen and bypass protein at the small intestine. A little of it in the liquid can deliver improved rumen performance in the cow.

QLF Pasture Enhancer 40 can be delivered from our Newton and Barnes City locations. Pick up QLF Bullets at Gilbert. 250-gal. caged totes can be available at these and other locations. The liquid can be used in QLF lick tanks, added to a TMR ration or used to “pour” bales. Pouring delivers more dry matter, more protein, more energy and supplemental vitamins and minerals.

Contact Justin Crocheck at 515-291-0763 or Dustin Drexler at 319-560-4442. ●

Year-End Tax Notes

Items to take to your tax preparer:

- 1. 1099-PATR**, which will be mailed to you in January. (See below.)
- 2. Form K-1** for any memberships in grain storage partnerships through Key Cooperative, which will be mailed to you in early 2021.
- 3. Letter from December 11, 2020**, regarding DPAD and/or patronage allocations.

4. Check stub from any equity revolvment checks received during the year.

- Normal distributions were made in September.
- Estate payments were made throughout the year.

You may have received all or none of these items, depending on business done.

The following information will be found on the 1099-PATR you received from Key Cooperative.

Box 1 - Patronage Dividends

The taxable amount of patronage that was paid to you by check. Any estate that had nonqualified patronage paid out will be included.

Box 3 – Per Unit Retained Amount (Purpims)

Your gross grain sales to Key Cooperative, before any deductions were taken from your check (storage, drying, checkoff, etc.). Based on calendar year.

Box 5 – Redemption of Nonqualified Notices

Any estate that had nonqualified patronage paid out will be included here.

Box 6 – Domestic Production Activity Deduction (DPAD), or Section 199A

The amount that was passed through to members from Key Cooperative. Members may be able to deduct this from their income taxes. Based on member grain sales to Key Cooperative during the fiscal year.

Box 7 – Qualified Payments – Sum of Boxes 1, 3 and 5

Box 8 – Section 199A(a) Qualified Items

Qualified items include patronage dividends and PURPIMS (Boxes 1, 3 and 5).

Box 13 – Specified Cooperatives

Check this box if you are an agricultural or horticultural cooperative engaged in the manufacturing, production, growth, extraction or marketing of agricultural products.

If you have additional questions regarding your 1099-PATR, **contact Danielle Kleve at 515-388-8037 or Mike Thomas 515-388-8034.**

Please refer any specific tax-related questions to your tax advisor.

those hardships, we won't dwell on them any longer than necessary. Beyond the significant financial and operational impacts we continue to address, we need to recognize and appreciate the substantial efforts exhibited by our members, employees and Board of Directors. They are working together to overcome 2020's challenges as essential workers and business partners in an essential industry. While the year's financial results were more limited than planned, we continue to persevere and will emerge more resilient and determined as we build toward a successful future together.

First and foremost, we remain grateful for your business. Doing business with you supports and encourages your dedicated Key employees and Board of Directors. Key employees have worked diligently these past 12 months to meet your needs, adapting to the challenges presented by a pandemic and a natural disaster. Our Board of Directors has decisively confronted these difficulties, determined to preserve your equity, improve your assets and pursue opportunities for growth. They are considerate and supportive of the efforts to repair, rebuild and reposition Key Cooperative to serve our members' needs today and well into the future.

We are pleased to share that despite the challenges of 2020, Key Cooperative completed a successful year both financially and operationally. This year's Annual Meeting will be held virtually on January 5. We are honored to recognize three of our directors who will be stepping down this year after serving their full terms. They provided a wealth of leadership, knowledge and experience for the benefit of Key Cooperative and its members, employees and communities. A heartfelt thank-you to Bob Finch, Rick Fopma and Brian Sampson, who have collectively served your Cooperative for over 50 years.

Financially, your Cooperative achieved sustainable local earnings of \$1.35 million, which added to regional patronage and other income led to a total of just over \$2.55 million in earnings. These earnings allowed your Board of Directors to allocate \$2.5 million in patronage distributions to members for 2020, as well as a Section 199 Pass-Through of 9.89 cents per bushel. Half of the patronage distribution will be in cash, and the balance in nonqualified. The infographic on page 2 shows the potential value that returns to your operation.

We continued to see our membership grow by over 3.5 percent this year and over 11 percent over the past three years. Fortunately, we have also made good progress the past few years in paying down our long-term debt and reducing our leverage. These efforts will make a significant difference as we face the task—and the opportunity—of rebuilding and reinvesting in our grain assets and facilities in the coming year.

Operationally, your Cooperative continues to experience growth and see improvement across every one of our core business units. The Key Agronomy team has continued to see growth in acres served and market share across the territory. Despite challenges—from a short fall to the pandemic—our Agronomists and locations delivered and applied record amounts of anhydrous and dry fertilizer in just a few weeks. The Key Energy team topped last year's best fiscal year in history, continuing to update systems and equipment to provide unmatched service and



Earn a \$50 Visa® gift card for every 100 gallons of high-quality Cenex® oils, hydraulic fluids, gear lubes and greases you buy between November 1, 2020 and February 28, 2021. See us for details, and ask about the Cenex Total Protection Plan® for up to 10 years/10,000 hours of coverage.



Contact your local Key Cooperative CES for more information:

Rick Kucera
641-780-1624

Rod Meyer
641-521-6318

Chris Nady
515-290-0009

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support for our members and communities. The Key Feed business unit rebounded well in the last quarter and nearly matched last year's performance, despite the slowdown in feed and protein as our producers waited for the packing industry to adjust to the pandemic. The Key Grain group saw unprecedented market turbulence and on-and-off demand, and they watched market carries flip to inverses. That was all before the derecho hit. I continue to be amazed at how well our employees, members and partners knocked out what harvest was left under these extraordinary circumstances.

Our 2020 fiscal year started in October and included a very challenging fall. We are pleased we didn't have to close any locations for grain this fall. Dryers have run well past harvest, as we put away a record volume of wet corn. The LP crew kept the dryer gas moving. Despite numerous supply issues, they kept members informed and covered

contracts. The Key Agronomy team put in extended hours, working around adverse field conditions to get more work done than last fall. We will still require a big spring. Feed has been running strong, delivering record volumes in the first few months.

Despite all the challenges of 2020, we are excited for the potential a new year brings. We're eager to build for the future and provide valuable assets and enhanced market access for our members. Working together, as essential business partners, we are committed to providing members with secure market access, deploying marketing tools and services and leveraging emerging technology and innovation, while pursuing environmentally sound and socially acceptable methods to be successful. The future will always bring uncertainty and opportunity. We wouldn't want it any other way. Let's face it successfully and together. ●

AgGateway Honors Leaders in Advancing Digital Solutions

Ann Vande Lune receives top leadership award

AT ITS VIRTUAL annual conference in November, AgGateway honored exemplary individuals who have made outstanding contributions in advancing the industry's transition to digital agriculture. These digital solutions help companies:

- Reduce errors and increase efficiency
- Achieve interoperability in hardware and software systems to turn data into value
- Leverage global resources and business relationships needed to enhance productivity, traceability and sustainability.

Ann Vande Lune, an Agronomy Administrator at Key Cooperative, received AgGateway's Ron Storms Leadership Award, the organization's top honor. The award recognizes repeated outstanding efforts by an AgGateway volunteer member in promoting collaboration among AgGateway teams and advancing initiatives in digital agriculture. When presenting the award, former recipient Eric Hoefing (also of Key Cooperative) said the judges praised Vande Lune's dedication to AgGateway's mission and ability to involve others in the important work at hand.

"AgGateway teams need input from both the business and technical sides of the industry, and Ann brings a valuable business perspective to the table," said Eric, adding that Ann hasn't been slowed down by the many challenges of 2020, providing leadership in seed and ag retail initiatives as well as general leadership at AgGateway.

Key Cooperative is proud to recognize Ann for her exemplary service to digital agriculture and her unwavering dedication to innovative solutions for our Cooperative and our members! ●

AgGateway is a nonprofit organization with the mission of developing the resources and relationships that drive digital connectivity in global agriculture and related industries. Visit www.AgGateway.org to learn more.





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PHOTO CONTEST WINNER: HILLS OF PLENTY

By Brenda Newell, Sully



A beautiful snapshot of blue sky and gently rolling hills, captured during this year's harvest.

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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**WE ARE
KEY**

Key Connections is sent to you courtesy of Key Cooperative. Please send comments or suggestions to Sara Clausen at 515-388-8030 or at Sara.Clausen@keycoop.com.