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Putting Money Back in Your Pocket

By Merle Lyons, General Manager



Fiscal year 2022 was the best year yet for Southeast Farmers Coop (SFC), and it was great to share this in person with those of you that attended SFC annual meeting in early December.

Southeast Farmers Coop achieved a profit of \$4.068 million dollars in local earnings, as well as more than \$5.9 million in total earnings. I'm pleased that your board of directors approved to allocate \$1.5 million into patronage and will be paying out 50% of that in cash, which amounts to \$750,000.

Your cooperative looks to build on this success, as equipment and technology continue to change, farming practices

“ Things we thought we could count on can quickly become things of the past. Still, there are undeniable truths that Southeast Farmers Coop embraces.”

evolve, marketing options expand, e-commerce influences farmers' buying habits, and global markets and world events reshape our business environment.

In a world that's ever-changing and moving at a faster pace each year, the things we thought we could count on can quickly become things of the past. Still, there are undeniable truths that Southeast Farmers Coop embraces, including:

1) Integrity. No matter how educated, talented, rich or cool you believe you are, how you treat people reveals your heart. Integrity is everything.

2) Putting people first. We are committed to making your coop a leader in the ag industry. We not only invest in technology to make this happen, but we value our employees. We invested in leadership training this winter for the SFC management team and are glad to add a new talent—Terry Lively—to the team. Terry will be joining us May 1 as vice president of safety and human resources.

3) Fiscal responsibility. We are responsible for our member/owners' equity. At the annual meeting, I noted that all estates are current. We're going to work on the equity retirement plan to see if we can make it a more sustainable plan that benefits the membership.

Investing to serve you efficiently

Going forward, we're assessing the best way to grow SFC's business while controlling costs and gaining efficiencies.

- We've updated SFC's terminal location outside of Elk Point to improve grain-receiving speeds, increasing from 20,000 bushels per hour to 35,000 bushels per hour.
- We've completed upgrades at Centerville's 1.2-million-bushel bunker storage system and conveyors.
- Along with expanding our grain bunker at Beresford to 900,000 bushels, we're investing \$1.7 million at Beresford to increase our receiving capacity at the grain flat. Then we'll be able to handle 18,000 bushels per hour, compared

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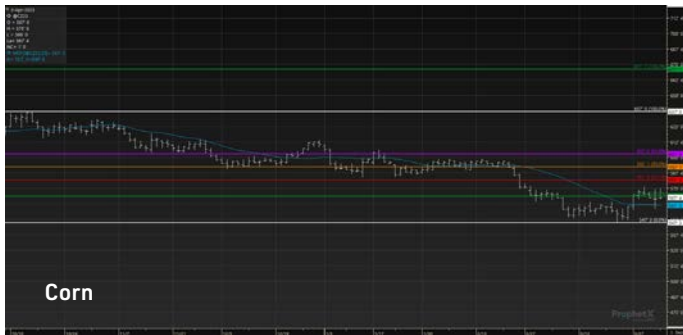
Market Grain When You Want To, Not When You Have To

By Nathan LaFerrier, Grain Department Manager



It's hard to believe there may be a corn demand issue, but corn has been on a "down and to the right slide" since the middle of harvest. The market has also been hashing out the demand side, due to the lack of corn exports.

If it weren't for recent sales to China, we could have been looking at increased corn carryout of 50 to 70 million bushels. Going forward, the USDA gave us 92 million corn acres next year. Depending on weather conditions in the north, we may lose some of these acres.



I encourage you to look at pricing old-crop and new-crop corn with the increase in price (15% to 20%) of annual proven yield. Southeast Farmers offers you many avenues to price these bushels, including cash contracts, basis, basis premium, price builder bonus, min/max and min/max/average.

With these contracts, you can establish a minimum price, while leaving some potential for upside participation. Call our grain line at 605.253.6152, and ask for Todd or myself to see which contracts will best fit your operation.

Also, keep an eye on these market movers:

- Wet conditions in the northern Corn Belt
- Dry conditions in the southwest
- The energy markets

What about beans?

Beans have had the same price action as corn. The market has been grappling with the size of Brazil's and Argentina's production. On March 31, USDA gave us a lower stocks number, along with lower perspective plantings. With the domestic crush build out, the soybean balance sheet will be interesting in the coming years.

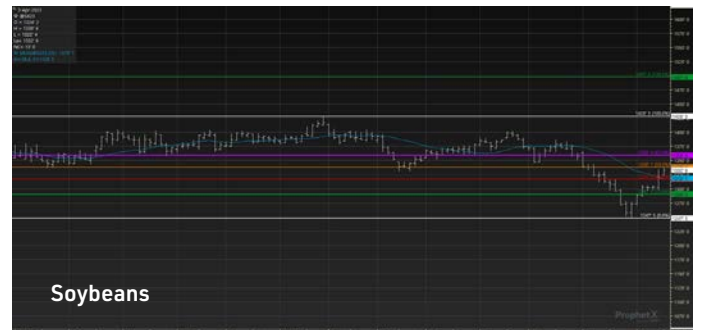


The market will pay attention to corn planting progress in the northern states, plus it will watch to see if there will be prevented planting on corn, or if those acres get switched to soybeans. This uncertainty should add volatility to the bean complex.

The markets will continue to struggle with price action as we go forward. Watch planting progress by state to get a feel if all corn acres will be planted. If 92 million corn acres looks hard to achieve, this may pressure the soybean market. Half of the pricing equation uses the futures market (looking 60 to 90 days out); the other half is basis, which is more immediate.

Here are some more tips:

- Don't wait until the truck is under the auger to market some grain. Market when you want to, not when you have to.
- In the beginning of the planting and growing season, look to lock in prices on 25% of your average production history (APH). Closer to pollination, be 50-60% priced on your APH. Look at what the market has done, and see what month has the best price after carrying charges have been accounted. With the higher interest rates at this time, carries will have to be wider.
- If no incentive is given to deliver later, do what the market is telling you, and sell during the earliest time slot that fits your logistics.





Bring on Spring

By Josh Adams, Agronomy Manager



What a difference a year makes. In 2022, prices soared, and the drought was tough on yields. As the 2023 crop season gets underway, it's good to see fertilizer prices back off somewhat and to get some moisture, too.

We're doing pretty good on fertilizer supplies for the 2023 growing season. Your cooperative has also invested in three new John Deere sprayers and have updated some of our tenders, too. As farmers' operations grow bigger and more farmers have faster planters, we need to keep up, too, so we can handle your agronomy needs efficiently.

Earlier this year, we welcomed Kolten Westendorf, Drew Jensen and Riley Schmitz to Southeast Farmers' agronomy team. Kolten comes from Volga, South Dakota, and has experience running sprayers and floaters. Some of you may already know Drew. He's from the Beresford area and has worked on a farm, so he knows the area. Riley recently graduated from Lake Area Tech.

If you need anything this spring, get ahold of our sales team, and we'll help you out. We appreciate your business and look forward to serving you.



Southeast Farmers Coop has invested in three new John Deere sprayers.

Putting Money Back in Your Pocket

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- to the previous 9,500 bushels per hour. We'll also improve our soybean dump speed at Beresford by an additional 12,000 bushels per hour by adding additional grain receiving at our concrete storage. This will allow us to receive soybeans at 27,000 bushels per hour at Beresford.
- At our Spink location, we continue to upgrade our agronomy equipment, including three new John Deere sprayers. We've also added two sets of double grain hopper trailers to keep up with grain transportation. We're also looking at a variety of other options where we can make strategic investments to capitalize on efficiencies.

We anticipate that fiscal year 2023 will be more challenging, due to the extreme drought that caused a lack of bushels in 2022. When the board of directors and I participated in a board planning session in Omaha in early February, we talked a lot about the best way to help Southeast Farmers move forward. Your board of directors and management team, along with dedicated, hardworking employees, are determined to move your cooperative forward by providing the best service possible.

While some people make things happen, some just sit back and watch, and others will wonder what happened, we believe the best way to predict the future is to create it. Thank you for your continued support of your local co-op and your future business in the months ahead. We look forward to serving you.

Building a Stronger Cooperative

By Jason Johnke, Board President



Without an occasional change of scenery, have you noticed it's easy to get stuck in a rut with your thinking? That's why Southeast Farmers Coop has the board go off site for two days in the winter to attend a strategic planning meeting.

This isn't an extra-long board meeting. We dig deep to assess the co-op's financial stability, analyze the competition, and find ways to improve growth and efficiencies. We also look at opportunities to meet customers' needs more effectively and focus on equity retirement.

I'm glad we have a good group of thinkers on the board who want to help build a strong cooperative. We believe in local ownership and want Southeast Farmers' profits to flow back into our rural communities.

We're also fortunate to have an excellent team of knowledgeable employees who live in the local area. These specialists offer lots of practical experience, plus they know our members and customers by name. We work hard to offer them competitive pay and benefits to encourage them to grow their careers here.

All this helps us focus on our main goal—keeping your cooperative viable going forward. Thanks for your support of Southeast Farmers.

Editor's note: Jason raises row crops and cattle near Centerville. He was elected to the Southeast Farmers board in 2006 and has served as board president since 2013.

Ready for a Career Change? Consider Southeast Farmers Coop

If you enjoy the rural lifestyle and are looking for an opportunity to grow your career in agriculture, take a look at Southeast Farmers Coop.

As a farmer-owned cooperative, Southeast Farmers offers rewarding work, competitive compensation and an excellent benefits package, including a co-op pension. Our team includes office/accounting specialists, grain and agronomy team members, energy/fuel delivery drivers and more.

For more information, visit www.southeastfarmers.com, or call 605.253.6150.



Strengthening Our Safety Culture: Meet Terry Lively, VP of Safety and HR

Creating a culture of safety is no accident. The safety of our employees is a top priority at Southeast Farmers Coop. That's why we're pleased to introduce Terry Lively as our new vice president of safety and human resources (HR).

What's your ag background?

I grew up in Washington state north of Seattle. I liked visiting my grandparents, who lived on the opposite side of Washington state and had an orchard, where they grew apples, cherries and pears.

How did your career path lead you to Southeast Farmers?

Since 1983, I've worked in safety and HR, starting when I joined the Air Force. During part of my career, I worked for a cooperative in northwest Iowa, where I was the director of safety and risk management. I earned my Society for Human Resource Management (SHRM) certification and have been on the road for 25 years, speaking at local, state and national events about safety, compliance and HR issues. I've served a wide variety of industries, including agriculture, and have worked with Southeast Farmers off and on for about 20 years in a consulting role.

What sparked your interest in safety?

My time in the Air Force introduced me to the importance of maintaining a safety culture. I served in the Air Force and Air National Guard for 27 years, retiring as a master sergeant. I'm excited to help Southeast Farmers create a culture that gives more authority to employees to make decisions and take ownership of their work.

How have people's attitudes toward safety changed through the years?

A lot has changed since the Occupational Safety and Health Administration (OSHA) was founded in 1971. Modern safety regulations began to take shape in the 1980s. Today, things like hardhats and seatbelts are so commonplace that young people don't remember when it was sometimes considered wimpy to focus on safety. Safety doesn't stop when you clock out from work, either. When my grandkids come to my wood shop, they know to put on hearing protection and eye protection.

What interested you in working for the co-op?

I already know many of the people at Southeast Farmers, and I believe this company has great potential for growth. I want to help us work together to reach shared goals. I think of my Grandpa Arthur, a Navy veteran who worked on one of the last cattle drives out of Texas in 1920s, when he was a teenager. He taught me you ride for the brand and stay loyal as long as the people you're working with are honest.

We're all part of the team here at Southeast Farmers. I look forward to helping take the co-op to the next level.

Editor's note: Terry and his wife, Sara, have three grown children (including a daughter in Sioux Falls, a daughter in Cherokee, Iowa, and a son in Cedar Rapids, Iowa) and four grandchildren. In his free time, Terry enjoys spending time with his family and camping.

Delivery Trailer Brings You DEF, Oil and More

By Brady Rosenbaum, Energy Manager



Delivering the energy products you need, when you need them, drives us. That's why we invested in a new delivery trailer late last fall to serve you more efficiently, whether you need oil or diesel exhaust fluid (DEF).

The equipment on our trailer pumps fast, which is a big plus. Count on us for:

- **15W40 TMS diesel engine oil.** This advanced formulation provides premium protection that's been proven in many engine types and extensive field service.
- **DEF.** We also sell DEF pumps and tanks (mainly 53-gallon and 114-gallon tanks), and we can deliver them to your farm.
- **Cenex® bulk hydraulic oil.** This high-quality oil helps maximize performance and efficiency when you need it most.

Did you know we also sell bulk oil tanks in a variety of sizes? Contact Southeast Fuel at 605.253.6152 for more details.





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Meet-and-Greets with Merle

One of the most sincere forms of respect is listening to what someone has to say. That's why Merle Lyons, general manager of Southeast Farmers, traveled throughout the co-op's trade territory this winter to visit with co-op members. From Bertz Sports Bar and Grill in Beresford to Mushy's Bowling Alley & Bar in Centerville to the Spink Family Restaurant in Elk Point, Merle met with small groups of local farmers to get feedback on what Southeast Farmers is doing well—and what needs improvement. We appreciate the opportunity to keep the lines of communication open with you.