

SUMMER 2017

A 'Cooperative Kid' Looks Back

By Ron Rutten, Retired Chief Operations Officer



As many of you have heard, I retired from the cooperative system on June 30, and am now enjoying a quieter pace of life.

Looking back on my 41-year cooperative career, I'm struck by how much agriculture has changed in my lifetime and the impact that has had on all cooperatives.

As a kid, my dad, Alfred, was the coop manager, and my mom, Dorothy, the bookkeeper.

I'd go to the coop after school, sit in the "lounge area" on an old school bus seat and do my homework. Now, that school bus seat sits in my garage. Together, mom, dad and I had 121 years of cooperative service—but I couldn't talk my girls into continuing the tradition.

Through the years, I've watched as irrigation and hybrids transformed the landscape, and family farms got larger and larger. As the footprint of the farms grew, so did the need for faster and more efficient equipment. Now that quarter can be planted or harvested in less than a day.

The increased speed and yield from the producers, required more modern and more efficient facilities. To meet that need, the cooperative needed stronger cash

flows and bigger balance sheets. Through a series of mergers beginning in 1980, Farmers Coop Elevator Company of Cedar Rapids, where I started, eventually became part of Country Partners.

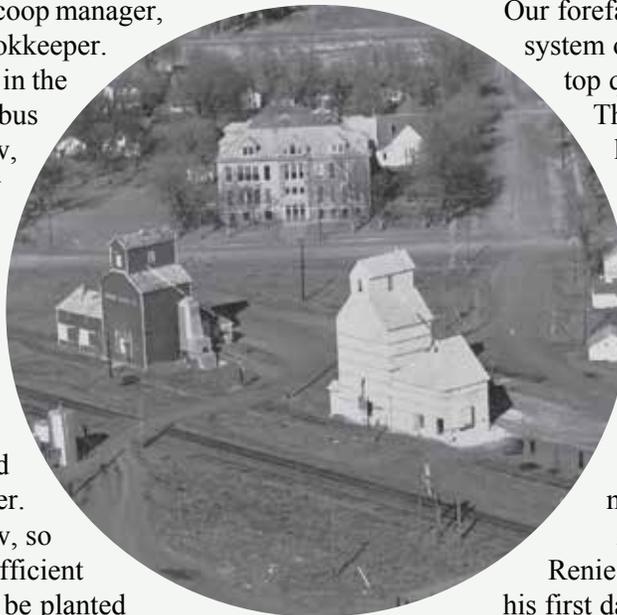
But one thing has never changed from day one—how much I've enjoyed working with farmers and building relationships with them and my co-workers. Those relationships made my 41 years enjoyable and satisfying.

Our forefathers started the cooperative system owned by the patrons to provide top quality products and services.

This philosophy holds true today. I have great faith in the cooperative system, and the board and management of Country Partners Cooperative. They continue to focus on bringing value to the market and the member/owners.

Many thanks to everyone with whom I've cultivated relationships over the years. I'll cherish these relationships and memories for the rest of my life.

Editor's note: Ron and his wife, Renie, just bought their first camper. On his first day or retirement, they hit the road to visit the grandkids. Read a more detailed account of Ron's cooperative career, and the changes he's seen in farming, at <https://tinyurl.com/y9a47ldv>. ■



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Get a Gift With Your Grease

By Scott Haller, Vice President of Energy



Summer is here, and so is the popular Grease for Gift Cards promotion from Cenex®. From now through August 15, you can earn a \$10 VISA® gift card for every Masterpack or 35-pound pail, or a \$30 gift card for every 120-pound keg you purchase. Most products are eligible for the program.

For those of you participating in our propane contracting programs, please return the forms we've sent out, as soon as possible. If you're not participating but would like a more convenient way to ensure you always have propane or to level out your bills, talk to us.

On the refined fuel side, we're seeing price trends hanging right around the November 2016 lows. This would not be a bad time to consider lining up some of your harvest needs.

Craig Saum would like to remind you that we provide a full line of Cenex lubricants in bulk. We'll deliver right to your door, along with carry totes and stands.

Finally, I'd like to wish Ron Rutten all the best in retirement. He mentored me for 20 years, and I greatly respect him and what he's accomplished for Country Partners. ■

Outworking Mother Nature

By Mark Ballmer, Vice President of Agronomy



What we thought would be an early spring turned into a late snow, followed by intense heat. Just another "normal" planting season. As is often the case, Mother Nature was our major sticking point and compressed our spring operations. The current state of the farm economy also caused some to postpone input decisions, which made it trickier to ensure we had enough of the right products.

But, we made it through in good shape and launched full speed into the sidedress season. One of the new-to-us products we're evaluating this year is SuperU® from Koch. We still offer traditional urea pre-treated with NutriSphere-N®. The difference with SuperU is that their nitrogen stabilizer, AGROTAIN®, is integrated throughout each prill of

product. It improves flowability and provides a more uniform distribution of stabilizer, but this does come at an increased price. We are applying a significant amount of SuperU, so after this season, we'll have a better idea of how it performs in our area.

It's post emergence season on soybeans now as we continue to look for ways to effectively deal with the hard-to-control weeds, especially water hemp. To that end, we do have some fields of dicamba-tolerant beans this year. The industry adopted a system of racetrack-style flags to mark the different varieties, and we are using those to help ensure the right product is going on the right field—and that we know what's growing in the next field, too.

We're here to help this growing season, so if you have questions, need help scouting your fields, or just want a second opinion, get in touch with a member of our agronomy team. ■



Crops Bouncing Back From Slow Start

By Scott Hillius, Vice President of Grain



The 2017-18 row crop season got off to a less-than-ideal start in many areas, with planting interruptions, late freezing

temperatures and flooding leading to delayed planting and, in some cases, one or more replants. Consequently, it is widely perceived that the top end of the corn crop has been taken off, with most analysts talking sub-trend yields and tighter stocks. It is, of course, early in the game.

Locally, our conditions have been less dramatic and certainly less than ideal. Though crops were slow to take off and we did have some replanting, they began to grow quickly when the weather warmed.

As a result of these planting woes, the corn market is finally adding some weather premium and broken out of the range-bound pattern it has traded for months. Bottom line—we're trading weather, which happens every year. Market funds have held a near-record short position, so if problems do continue to develop and they decide to buy back their positions, we have a potential tinderbox to fuel markets higher.

Farmers are "bulling up" and sell order prices seem to be climbing

every day. Farmer engagement has increased lately as pockets of grain still remain on the farm.

Elsewhere, the drought in the Dakotas continues to deepen and areas of western Iowa going west and north appear to be in the worst shape. Crop conditions continue to decline in many of these areas. In terms of their spring wheat crop, the damage may already be done. South America has some big crops, and those are buffering the U.S. weather situation for now. South American farmers have also been slow to sell, and when they do decide to move, it will put more pressure on our markets.

Wheat harvest prospects

Both nationwide and locally, wheat acres are down. Stands are poor and diseases, whether rust or mosaic, are causing problems. Many farmers chose not to spend the money to prevent or fight them due to poor wheat economics. As the harvest has progressed to the north, yields have been variable, protein levels have been mostly poor and could be a potential problem for our area as well.

On the export front, China's appetite for soybeans is not slowing down. That's good news in light of South America's bumper crop and the uptick in U.S. bean plantings.

With critical NAFTA negotiations slated to begin soon, the recent sugar export agreement between the U.S. and Mexico—our top corn export destination—is a hopeful sign.

While the June 9 USDA Supply and Demand update proved pretty uneventful, that was not the case with the June 30 stocks and acreage report.

On the corn front, the export picture isn't pretty. Projections call for 2017-18 exports to be down 350 million bushels—more than 800 trains. We're dependent on timely trains to help us handle corn during harvest, so that is a concern both here and nationally at other on-rail locations. We are actively selling grain as the market allows in order to make space for the coming wheat and fall harvests. We're making our best estimate as to what we'll be receiving, so we can plan accordingly.

We anticipate our farmers will wait for opportunities to market some of their stored corn in the next few months. Until that time, I encourage you to monitor the quality of your stored grain carefully, as end users are less tolerant of quality issues when grain supplies are still abundant.

We thank you for your business, will continue to work to earn it and appreciate the opportunity to be your partner in agriculture. ■

New Operations Manager Not New to Co-op

Ron Rutten's successor as Country Partners operations manager is no stranger to our cooperative. Steve Geist has served as vice president of risk management for the past four years.

With 30 years of experience in regulatory affairs, safety and human resources, Steve is looking forward to a new challenge. "My goal is to determine how best to execute our mission," he says. "Specifically, how do we best meet the needs of our customers and employees, now and in the future, while maintaining profitability?"

He and outgoing operations manager Ron Rutten spent several weeks getting ready for the transition, so Steve is well prepared for his new role. Steve will retain his risk management responsibilities in addition to his operational responsibilities.

"We've made great strides in improving our safety culture, and I'll be working to make sure that continues," Steve states. ■



Steve Geist

BOARD CANDIDATES **WANTED**

Ever thought about serving on our board of directors? If interested, contact a current board member or Tod Clark. See countrypartnerscoop.com for contact information.



Technology Reshaping the Grain Market

By **Tod Clark, General Manager**



Recently, Bloomberg published an article detailing the growth in direct farmer-to-end-user grain sales. In it, they quoted an ethanol producer describing this new marketing model. "The farmer has a lot of storage and we have a lot of storage. We just skip over the traditional

way that grain used to move through the market. We're now tearing that whole thing down."

His comments are a perfect illustration of an issue that has become increasingly urgent for Country Partners. The markets have changed and will continue to change, thanks to technology. What does this mean for the cooperative in general and our truck houses in particular? Clearly, it puts these locations at a competitive disadvantage. To purchase grain at the same price offered by end users for direct delivery

guarantees will result in lost money on every bushel, once handling and transportation costs are factored in.

This issue has been the subject of serious discussion at our board meetings over the past few months. To address it, we are looking at new avenues to improve and diversify our access to domestic and international markets outside our immediate trade territory.

All ag retailers are considering new ways to remain competitive as technology reshapes both the agronomy and grain aspects of our business. We will look at every option in our effort to keep Country Partners a strong and healthy partner for our patrons.

In closing, I want to thank Ron Rutten for his 41 years of cooperative service and leadership. He has played a major role in making Country Partners the organization it is today. I wish him and Renie the very best in retirement. ■



Student Shines at Contest

Jaclyn Frey, daughter of Country Partners members John and Sue Frey, took third place in the Cooperative Speaking Competition at the Nebraska FFA Convention this April. Contestants were judged on a six- to eight-minute speech on cooperatives and their benefits to the local, state and national economies.

Congratulations, Jaclyn! ■