

SUMMER 2018

Grain Expansion Will Position Your Co-op for the Future

By Scott Hillius, Vice President of Grain



Country Partners strives to capitalize on strategic opportunities. We look to provide facilities that deliver needed services to our customers, keep pace with your growth, help strengthen your balance sheet and make financial sense with our “go to market” strategies.

As many already know, Country Partners has a fairly significant grain project going on at our Cedar Rapids location. A small piece of land adjacent to our existing grain facility has been acquired to add soybean storage and elevating/dumping capacity. Work is underway to construct two 105' diameter steel grain bins with capacities of approximately 750,000 bushels each. Another 20,000-bushel-per-hour elevating leg and an oversized pit are also included in the project, which will allow faster dumping speeds at harvest for current and future producers' needs. This project will reduce expensive seasonal transfers and improve merchandising opportunities through the elimination of forced sales at harvest time.

Modernized facilities like this better position Country Partners for the future, as we strive to serve our members/producers with more efficient grain handling practices and the ability to compete under tighter profit margins. The new facility is expected to be complete by mid-September and will complement existing assets in the Cedar Rapids area.

In late May, we announced another grain project near Gothenburg. A location has been secured two miles east of town for development of additional harvest grain storage. This stand-alone site will be supported by two scales (inbound and outbound), an office, sampling equipment, high-speed drive-over conveyors rated at nearly 55,000 bushels per hour, and permanent corn storage bunkers. This project will provide our customers with a high-speed dumping experience for dry corn, which in its final stage will accommodate over six million bushels of corn at harvest time.

Wet corn will continue to be dumped in town and run through our existing dryer. This additional corn storage capacity will allow Country Partners timely and more strategic marketing through our 110-car Union Pacific shuttle loader, in addition to expanding corn

origination capacity. We're also happy that a side benefit to this project will be a reduction in truck congestion through the city of Gothenburg during the busy fall harvest season. The new facility will be seasonally staffed and operated. Work should be underway by the time this article goes to press and is scheduled to be completed in time for the 2018 fall harvest.

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We Like Rain, but...

By Mark Ballmer, Vice President of Agronomy



We'll never talk badly about rainfall in this part of the world, but the rain this spring did present challenges to both fertilizer application and getting the crops in the ground. It was a tough, compressed spring, but our staff put in the hours to get the work done. Thanks for working

through this planting season with us.

Once again this year, dicamba is the big topic. If you're applying it yourself, my one big caution is to read the label carefully. The requirements are different for each dicamba product, depending on whether you're using Engenia®, Xtendimax® or FeXapan®. Everyone is watching this product closely and there is no margin for application error, so read and follow the label.

Even as sidedressing was getting underway, we began filling for the 2019 season—odd as that may seem. In our current global economy, if the fertilizer companies can make more money putting it on a ship and sending it overseas, they will. For that reason, prices are moving up, even though this seems to be the time when we would expect them to fall or stay level. I just don't think we're going to see those prices reset as they normally do.

I'm expecting a big sidedress season, as a lot of corn was planted in a seven-day window, and the rain kept spreaders out of the fields ahead of planting, so the corn got up before the nitrogen could get on. We'll have to come back mid-season to add more nitrogen. In some areas, weeds also got a good head start on the crops, thanks to wet fields, so we're dealing with a lot of weed pressure and sprayers are going hard.

With what looks to be a busy growing season coming, planning is always a good thing. The new trucking regulations and electronic logging have also made it more challenging to receive product. What used to take 2-3 days to get here can now take 4-7. Finding seasonal drivers is also becoming a tougher job.

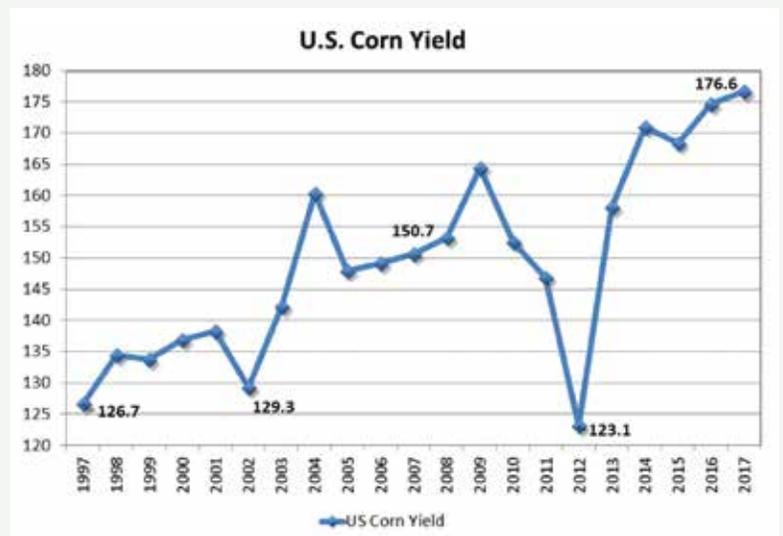
We do have a couple of new sprayers to help us keep up with demand, but we want to be as efficient as possible so we can cover as much ground as we can in a day. Planning ahead and letting us know your needs as early as you can really helps us get to everyone in a timely manner.

We'll continue to fight the battle against Mother Nature with you. Thanks for your business, and don't hesitate to let us know how we can help this summer. ■

Grain Expansion...

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Higher trending yields and bigger/faster farm equipment have outpaced commercial grain storage capabilities in recent years. More bushels are being grown than our elevators can handle in the 6-8-week harvest window. We're being challenged to better serve our customers' needs, become more efficient and increase our origination. All point toward the need for more modern assets and a new way of thinking—a different way of doing business. We at Country Partners must keep adapting to the dynamic ag industry, never stop searching for opportunities to grow relationships with the grower and work harder to earn your business. Together we can! ■



Clean Tanks Curb Fuel Issues

By Scott Haller, Vice President of Energy



Quite a few of you have talked to us about tank maintenance issues this year. The primary complaint is water in the tank getting through to the equipment and causing problems—even to the point of taking out injectors.

The move to ultra-low sulfur diesel has made tank maintenance an even more important consideration. Sulfur pushes water out of the fuel and down to the bottom of the tank, where it can be more easily removed. As sulfur levels have gone from 500 ppm to 15 ppm, water tends to remain in the fuel.

For this reason, Cenex® Ruby Fieldmaster® premium diesel contains a demulsifier that pushes the water to the bottom of the tank. Your tank maintenance program should include the removal of that accumulated water, either by draining it from the bottom (our 1,000-gallon tanks have a bottom plug that can accommodate a petcock) or by removing the water when tank levels are low. Several of our customers utilize a tank cleaning service to handle the problem. Compared to damaging your engine, it's money well spent. It's also a good idea to install a hydrosorb filter on your tank to catch water as you're fueling.

Tank maintenance is a lot like vacuuming your carpet. Over time, dirt accumulates. Periodic maintenance keeps problems to a minimum.

Fielding a fit fleet

As an energy department, we are always aware of the need to keep our delivery fleet in good shape in order to ensure on-time fuel delivery. To that end, we've added new equipment and upgraded an older unit. We added a brand new 4,500-gallon truck in Ord. The relatively new truck we had in Ord moved to Stapleton. Then, we took the truck from Stapleton, removed and refurbished the tank and put it on a brand-new chassis. That truck then went to Anselmo.

On the propane side, we built a delivery truck and placed it in Arnold and put a new chassis under

our propane service truck. We're serious about putting a quality fleet on the road to deliver your quality energy products.

Take action on energy

This is the time of year to summer fill and catch the traditional bottom of the propane market, or to consider forward contracting. It appears to me that propane prices are positioned to go substantially higher in the next few months.

We're seeing some pullback on refined fuel prices, so the time may be right to lock in a price on some of your fall harvest needs and control a portion of your budget. Lubricant prices also tend to increase before harvest, so talk to us about your irrigation and fall harvest lubricant needs now. ■



Top photo: Our refurbished tank now rides on a new chassis.

Photo at left: Our new delivery truck is based in Ord.

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Supporting Our Local Heroes

Country Partners Cooperative greatly appreciates the numerous volunteers who serve on the fire departments, rescue squads and rural fire boards in the communities across our operations territory. To express our gratitude, Country Partners recently made donations to 20 fire departments in the communities where we have facilities. Thank you to all these first responders for their service and dedication to area citizens.

Country Partners also has 25 employees serve on their local fire department, rural fire board or as an EMT. We are very proud of the service they provide community members where they live and work! The gifts and talents of our employees, and their willingness to share them within their local communities, are greatly appreciated! ■

