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\$30.1 million returned in patronage



**By David Cramer,
President and Chief
Executive Officer**

On April 23, 2018, two hundred members and guests attended United Cooperative's 82nd annual meeting at the Watermark Community Center, Beaver Dam, Wis.

At the meeting, I reported revenues for 2017 were \$647 million. United Cooperative's core cooperative businesses of feed, grain, agronomy and

energy generated \$33 million in profits, up \$8.5 million from 2016. The investment United Cooperative made in ethanol contributed \$8.5 million to its net income in 2017, down from the \$13.8 million this investment returned the year before. Patronage from regional cooperatives was down .6 million from 2016, at \$5.4 million dollars. All combined, United Cooperative had a total net income before income taxes in 2017 of \$48.5 million dollars, up \$3 million from 2016.

With those profitable numbers, United Cooperative is returning \$30.1 million in total patronage to members. Forty percent of this patronage, or \$12 million, was distributed in cash to United Cooperative's patron member owners in May, while 60%, or \$18.1 million, is retained in equity credits. In addition, the cooperative plans to continue to revolve stock in October, retire stock at age 77 and pay all estates as requested.

In 2017 United Cooperative focused its resources on investing in assets for the cooperative, in Wisconsin communities and in our cooperative people, while returning value to members in the form of stock revolvment and patronage refunds. Despite a challenging year at the farm-gate, United Cooperative continues to be well-positioned financially to continue those investments into 2018.

Investments in cooperative assets

Your cooperative invested in several construction projects during 2017 that added value to grain storage and market opportunities, animal feed manufacturing,

seed and agronomic products and services and energy resources. In Agronomy, a new seed warehouse was built at South Beaver Dam, while a new office and warehouse were added at Coleman. Organic crop nutrients products were made available at the Westfield location as producers are diversifying and finding new income streams in high-value, organically grown crops, and nutrient management planning and consulting services for producers were expanded.

Several enhancements were made to the cooperative's grain facilities to improve market access. The largest project was the expansion of the Oshkosh location with the addition of two, 1.2-million-bushel grain storage bins with 40,000-bushel-per-hour receiving, and 7,000-bushel-per-hour drying capacity. At the Shawano grain facility, a 500,000-bushel grain storage bin and a 4,750-bushel-per-hour dryer were added. Additionally, United Cooperative installed 4,750-bushel-per-hour dryers at Horicon, Ripon North and Sauk City, and a rail scale at Oconto Falls. Upgrading feed facilities continued in 2017 with the completion of the Shawano feed mill. The cooperative also built a warehouse where the old mill was demolished.

Investments in Wisconsin communities

United Cooperative recognizes the importance of giving back and invests in many non-profit organizations throughout the year. Total giving to initiatives in rural health and safety; agricultural youth; and food and nutrition resources reached \$124,500 in 2017.

In 2017, 51 high school and college students were awarded a \$1,000 United Cooperative scholarship, bringing the total number of students supported through this program to 268 over the last nine years since the program's inception.

Investments in our cooperative people

Twenty-seven United Cooperative employees embarked on an 18-month United Cooperative University program for managers and mid-level managers, with much of the schooling being attended in 2017. By providing this in-house program, United Cooperative is developing its employee talent to prepare them for management careers at the cooperative for years to come.

Employee Years of Service Awards

40 years

Steven Bougie, Pulaski auto
Matthew Grueb, Shawano feed
Larry Strauss, Watertown energy

30 years

Dennis Klumpers, Pickett agronomy
Connie Zernicke, Shawano feed

25 years

Susan Backhaus, Beaver Dam office
Linda Branish, Poynette convenience store
Scott Gwidt, Pulaski agronomy
Kate Ott, Hillsboro feed
John Reuter, Reedsburg agronomy
Sally Shoemaker, Beaver Dam office
Gerald Warmka, Hartford location

20 years

Brian Baehman, Greenville hardware
Karl Beth, Beaver Dam office
Harold Giddley, Denmark agronomy
Kenneth Grebel, Beaver Dam energy
Scott Herring, Beaver Dam feed
Bradley Marthaler, Beaver Dam convenience store
Martin Mueller, Hillsboro energy

15 years

Thomas George, South Beaver Dam trucking
Emmett Hying, Deerfield agronomy
Benjamin Schuett, Hartford feed
Chad Smithyman, Hartford Ponderosa
Kevin Williams, South Beaver Dam agronomy

10 years

Jeffrey Bechler, Pickett agronomy
Daniel Brisky, Deerfield agronomy
Peter Clothier, Prairie du Sac agronomy
Robert Hoffmeister, Reedsburg energy
Pamela Koenig, Reedsburg agronomy
Elizabeth Lenz, Hartford Ponderosa
Mark Meagher, Beaver Dam feed
Stanley Mueller, Sauk City feed
Kristi Phephles, Hillsboro agronomy
Adam Schaalma, Beaver Dam Ponderosa
Daniel Schnell, Shawano feed
Gary Strube, Ripon grain
Gregory Wilson, Pulaski shop
Lisa Woodley, Beaver Dam office

Three board members re-elected to posts

This year, United Cooperative had three incumbent directors seeking re-election from each of the three district areas (northern, central and southern). Greg Tauchen, Bonduel, Northern District, Robin Craker, Reedsburg, Central District, and Anthony Schadt, Watertown, Southern District, were elected to three-year terms.

Thirty-eight employees were recognized for their years of outstanding service with United Cooperative. They represented 10, 15, 20, 25, 30 and 40 years of service. Service award winners are listed in the column at left. In addition, 12 retirees were honored for their dedication to United Cooperative.

Michael Cleaver, Hillsboro grain
Gerald Ewald, Auroraville South
Roger Hanefeld, South Beaver Dam trucking
Daniel Resac, Hillsboro warehouse
James Reider, Beaver Dam energy
Gary Richmond, Sauk City feed
Steven Root, Denmark feed
Mark Schleiss, Greenville office
Ronald Schultz, Hillsboro grain
Steven Servais, Denmark feed
Nancy Stangel, Denmark office
Connie Tellock, Greenville office
Joretta Weber, Hillsboro grain

My thanks to all who attended the Annual Meeting on a beautiful spring night. If you were unable to attend the annual meeting, feel free to pick up an Annual Report at the office of your closest location. You can also access the Annual Report online at the homepage of www.unitedcooperative.com.



2018 United Cooperative Board of Directors

Front row, left to right: Rod Leiterman, Denmark; Greg Tauchen, Bonduel; Howard Bohl, Beaver Dam, chairman; Robin Craker, Reedsburg, secretary. Back Row, left to right: Larry Plamann, Greenville; Peter Mlsna, Hillsboro; Brad Krueger, Shawano; Duane Hinchley, Cambridge; Anthony Schadt, Watertown; Gary Nolden, Prairie du Sac, vice chairman; David Cramer, Beaver Dam; treasurer.

United Cooperative University



Twenty-seven employees completed United Cooperative University during spring 2018. During the 18-month program, participants learned more about United Cooperative and its operations, and expanded their understanding of and proficiency in several key business areas such as management, planning, budgeting, inventory and developing strong teams. Developing the skills and knowledge of employees through United Cooperative University insures that your cooperative has a pipeline of talent for important roles in the years to come.

2018 Scholarship Winners

These 50 students will receive a \$1,000 scholarship from United Cooperative during the 2017-2018 college year. The scholarship applications were reviewed and chosen by Federated Youth Foundation. United Cooperative congratulates these students on their awards.

Teresa Wolf, Allenton
Kristi Bird, Beaver Dam
Luke Braker, Beaver Dam
Aaron Pulvermacher, Benton
Jordan Krentz, Berlin
Ashlyn Schnell, Bonduel
Cassy Bonnin, Bonduel
Daniel Tauchen, Bonduel
Anna Evenson, Cambridge
Mikayla Knorn, Casco
Colin Wussow, Cecil
William Zeimet, Cottage Grove
Riley Ripp, Dane
Grace Link, Deerfield
Corrin Waterworth, Fall River
Colin Zimmerman, Fox Lake
Danielle Angotti, Freedom
Morgan Lisowe, Gillett
Brandon Strupp, Hartford
Ashton Mislivecek, Hillsboro
Bennett Lippert, Hortonville
Curtis Diedrich, Hortonville
Emily Becher, Hortonville
Colton Klecker, Jefferson
Hannah Cramer, Juneau

Carisa Cleven, Kendall
William Butzlaff, Kewaskum
Kelsi Rufenacht, La Valle
Samuel Jesse, Lodi
Justin Yanke, Loganville
Anthony Van Deurzen, Luxemburg
Benjamin Ullmann, Luxemburg
Kelsey Potratz, Omro
Kendall Kau, Palmyra
Matthew Kostreva, Pound
Mallory Ruechel, Pulaski
Nathan Ferfecki, Pulaski
Christy Jahns, Ripon
Brady Butzler, Rockland
Morgan Lentz, Rubicon
Allie Breunig, Sauk City
Emily Matzke, Sauk City
Julia Schuh, Seymour
Macy Ragsdale, Slinger
Danielle Schilling, Watertown
Tiffany Van Buren, Waupun
Elsbeth Hamilton, Westfield
Julia Mitchell, Winnebago
Paris Lindner, Wisconsin Dells
Pearl Franke, Yuba

United Cooperative Phone Directory

Corporate Office	920-887-1756
Auroraville Grain South	920-361-3361
Auroraville Grain/Agronomy North	920-361-4854
Baraboo Ash St. Cenex C-Store*	608-356-2703
Baraboo Hwy. 12 & 33 Pump 24*	608-356-2703
Beaver Dam Cenex C-Store*	920-887-1756
Beaver Dam Feed	920-885-5522
Coleman Agronomy	920-897-4010
Deerfield Agronomy and Energy	608-764-5454
Denmark Feed/Grain/Agron/Energy/C-Store	920-863-2171
Greenville Feed/Grain/Agron/Energy/Hardware	920-757-6556
Greenville C-Store	920-757-5792
Gresham Grain	715-526-6115
Hartford Feed/Grain/Agron/Energy/C-store	262-673-8960
Hillsboro Agronomy	608-489-3444
Hillsboro Office/Energy/Feed/Farm Sply	608-489-2231
Hillsboro Grain	608-489-4120
Horicon Grain	920-485-9707
Hustisford Cenex C-Store*	920-349-3989
Johnson Creek Agronomy	920-699-4990
Johnson Creek Grain	920-699-2771
Kendall Cenex C-Store	608-463-7872
Mayville Agronomy and Energy	920-387-2410
Oconto Falls Grain	920-846-4775
Ontario Cenex C-Store	608-337-4525
Oshkosh Agronomy and Grain	920-233-2261
Pickett Agro/Energy/Cenex C-Store*	920-589-2311
Ponderosa, Beaver Dam	920-885-2755
Ponderosa, Hartford	262-673-2248
Poynette Cenex C-Store*	608-635-7002
Prairie du Sac Agronomy	608-643-2348
Pulaski Ace Hardware	920-822-6396
Pulaski Agronomy	920-822-3341
Pulaski Energy and Office	920-822-3235
Pulaski Feed and Grain	920-822-3252
Reedsburg Agronomy and Energy	608-524-2822
Reedsburg Cenex C-Store*	608-524-6115
Ripon Grain North	920-748-7488
Ripon Grain South	920-748-7999
Rock Springs Grain	608-524-5246
Sauk City Feed and Grain	608-643-3345
Shawano Energy and Office	715-526-3197
Shawano Feed	715-526-6115
Shawano Agronomy and Grain	715-524-8812
South Beaver Dam Grain/Agron	920-887-7671
Watertown Energy	920-262-6770
Westfield Agronomy and Grain	608-296-3237
Wilton Feed/Agron/Energy/Farm Sply	608-435-6421
Wilton Cenex C-Store	608-435-6977
Wonewoc Cenex C-Store	608-464-7191
Wyocena Cenex C-Store*	608-429-9262

* sells E85, E30, and E15

Note: "C-store" is short for convenience store.

Your pre-planning will pay off in the field



By Scott Firlus,
Operations Manager -
Hillsboro and Westfield

Despite all the April snow showers, spring is just around the corner . . . one of these weeks. Spring always comes, however, and in preparation for that, United Cooperative's fertilizer plants are full and ready to offer product to our farmer-members.

Good communication with your United Cooperative agronomist in the off-season will really pay off with this later start in the fields. Let your agronomist know your schedule as soon as possible, so we can include your farm in the spring plan.

After planting we will start taking tissue samples on corn around V-3 through V-5 to see how nutrient health is getting into the plant. Let your agronomist know you would like tissue sampling done so you can be added to the schedule. We can use a tissue-sampling report, like the one below, as a lab test and it will indicate what nutrients the plant is

not getting so we can add the correct nutrients to keep the plant healthy. We can add the proper micro-nutrients to your side dress crop nutrients, or to a foliar application made with crop protection products. Having everything the crop needs is key to reducing stress and maximizing yield throughout the growing season.

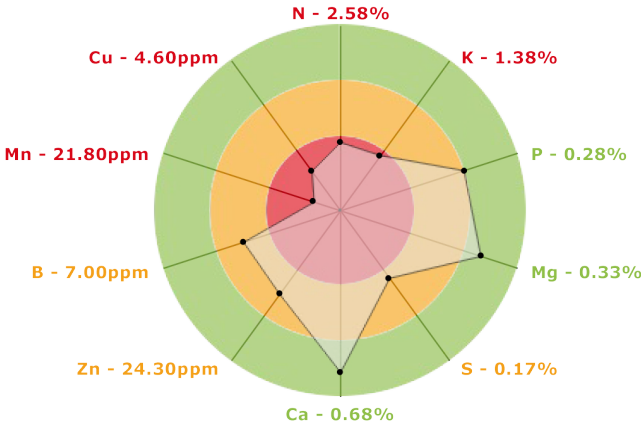
Organic Crop Nutrients Available in Select Areas

United Cooperative will service organic fertilizer needs from its Westfield Location. We move organic products out to other locations in bulk bags and deliver to your farm in bulk quantities. We currently have a good supply of poultry pellets and other organic products.

Let us know your needs for Terra feed from QLF we will have this sugar available at a couple of our locations for your convenience. We can also custom apply these products preplant or side-dressed for your operation. We carry a full line of organic products to fit your farming operation and nutrient needs. Any questions call Marty at Westfield, 608-296-3237; Jon and Scott at Hillsboro, 608-489-3444; or Mike at Shawano, 715-524-8812.



Nitrogen 2.58% / N-Deficient	Manganese 21.80ppm / Mn-Deficient
Potassium 1.38% / K-Deficient	Copper 4.60ppm / Cu-Deficient
Phosphorus 0.28% / P-Adequate	
Magnesium 0.33% / Mg-Adequate	
Sulfur 0.17% / S-Responsive	
Calcium 0.68% / Ca-Adequate	
Zinc 24.30ppm / Zn-Responsive	
Boron 7.00ppm / B-Responsive	



Note: The closer results are to the center of the graph, the more deficient the nutrient.

Element	Results	Product / Rate	Advice
Nitrogen N-Deficient		Gradual-N® 30-0-0 : 2 gallons/acre Gradual-N® 25-0-0 + 0.5% B : 2 gallons/acre	Nitrogen may be yield limiting. Investigate the reason for low nitrogen and consult your agronomist to discuss the nitrogen responsiveness of your hybrid.
Potassium K-Deficient		Gainer 10-16-38 : 5 - 10 lbs/acre	Potassium is required for water and sugar movement throughout the plant. Early potassium deficiency can result in lower yields. Investigate the cause of the potassium deficiency and consult your agronomist.
Sulfur S-Responsive			A more accurate measurement of sulfur is the nitrogen to sulfur ratio (N:S). Consult the N:S section of this report and discuss sulfur application options with your local agronomist.
Manganese Mn-Deficient		MAX-IN® Ultra Manganese : 1 - 2 quarts/acre MAX-IN® Ultra ZMB® : 1 - 2 quarts/acre	Herbicides like glyphosate can tie up manganese. Manganese is essential for photosynthesis, nitrogen utilization, and optimum plant development and health. Consult your agronomist.

Propane Outlook 2018



By Bill Herbst,
Vice President-Energy

This year, as we go from winter straight to summer, don't kid yourself, we could do the reverse in just a few months and go from summer straight to winter, too. So, don't hesitate to plan your propane supply now for next winter's heating needs.

The most recent winter put a strong demand on propane supply infrastructure and stocks throughout the country. Also keep in mind propane exports are still up. We have

already begun to see propane prices edge 10% higher than last year's prices. In terms of total propane supply, it is down 22.4% in the United States from the five-year average; for the Midwest, propane supply is down 24.5% from the five-year average.

Our team provides quality propane that's clean, efficient, reliable and affordable; service that's safe; and delivery that's far more dependable than our competitors. "Rely On Us" is not only our motto, it is what drives us. We go to great lengths to ensure we have two major components in place—supply and service.

Ample Storage and Supply

United Cooperative proudly invests millions of dollars of working capital to increase local propane storage capacity and purchases propane months before it is needed by our customers. Locally, United Cooperative has almost 1 million gallons of local storage. This, along with our partnership with CHS, one of the largest wholesale propane suppliers in the U.S., allows us to have ample propane supply in the event of propane shortages. This is one differential advantage you have when buying your propane from United Cooperative.

Quality Service

Service is very important to us, too, and is another value most discount suppliers can't provide. The cornerstone of our business is safety and service. Every gallon delivered by our certified delivery specialists

is backed by our certified technicians. We have someone from each location available 24/7 in case of emergencies. If you do encounter a propane emergency at your home, farm or business, we urge you to call us, day or night, at 1-800-924-2991.

Contracting your propane

Price protection is another part of what we do for you, our valued customer. As a consumer of propane, you can contract your propane needs each year to take protection against winter price spikes. Nine out of 10 years locking in your propane price during summer can save you money during winter. We have several contracting options:

- **Budget plan:** Lock in a fixed price and spread your payments for the propane you use for home heating into manageable, equal, monthly amounts.
- **Booking plan:** Lock in a fixed price and pay for your propane fuel as it is delivered.
- **Pre-paid plan:** Lock in a fixed price for the season and pay for your propane up front.
- **Summer Fill Discount:** Fill in June, July or August for the best pricing.

Other options to consider when contracting propane

Adding **Value Assurance** gives you price protection should the price of propane fall. Value Assurance is a program available for a small fee that kicks in when the current delivery price is lower than your contracted price. Value Assurance assures that you will only be billed for the lower of the two propane prices.

Signing up for ACH and making automatic payments is another way to manage your propane bills. Call us today to contract your propane during the "Summer Fill" promotional period, and take the guess-work out of your annual home and business heating costs.



Grain upgrades announced



By Alan Jentz,

Vice President - Grain

The momentum continues to build for three grain locations that have planned construction projects this spring and summer. These projects will positively impact farmer members as soon as they begin to market grain this fall at these locations.

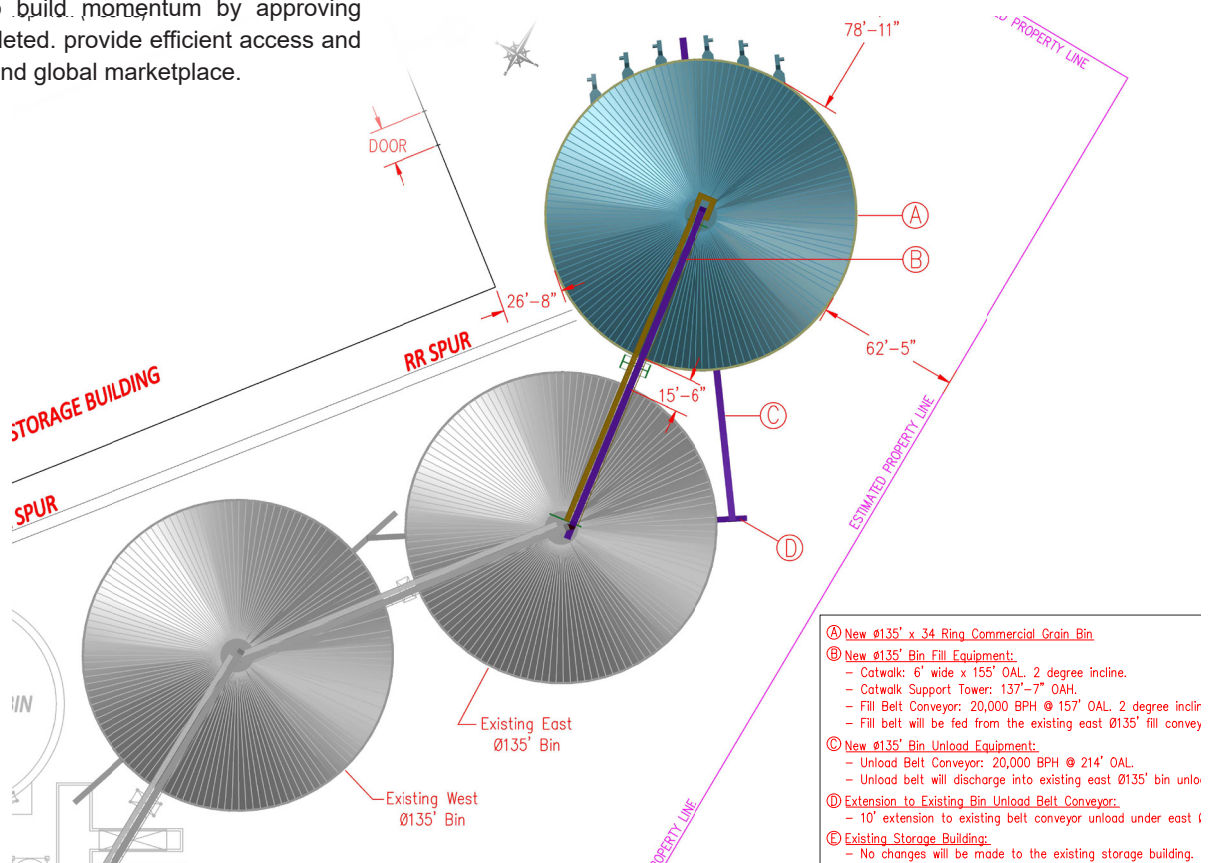
To meet customers' demand, two grain storage projects are slated for Sauk City and Oshkosh. If

you happen to be driving on State Road 60 at Sauk City you'll begin to see the progress of a 675,000-bushel storage bin being constructed there. The additional grain storage will bring that location's capacity to 2.2 million bushels by harvest. At Oshkosh, another 1.2-million-bushel bin is being proposed, which will bring total storage capacity there to 6.4 million-bushels by fall 2018, if approved.

At Horicon, the focus will be on improved grain receiving capacity to help accommodate the ever-growing need for efficiency from combine to elevator. At the Horicon grain location, 20,000 bushels additional receiving capacity is being built with a new, larger scale and pit. This additional receiving capacity, coupled with the fact that Horicon participates in a corn and soybean train shuttle loading program, will improve producers' grain market access for years to come.

Your cooperative continues to build momentum by approving these projects that, when completed, provide efficient access and position your grain in the local and global marketplace.

Oshkosh location grain expansion



Credit Reminders



By Mary Beth Schade,

Vice President-Credit and Administrative Services

Patronage distributions - Are you receiving your full patronage dividend?

Patrons receiving a patronage dividend check in May 2018 for purchases made in 2017 should review:

If your check stub shows a "Federal Withholding Tax line" your check is being reduced per IRS regulations, because we do not have your Social

Security number or Federal Tax ID number on file. Please contact the credit department at 800-924-2991 to correct this so you can receive your full dividends in future years.

Discount Program - You may be missing discounts that can save you money!

Our feed division offers bulk feed discounts, discounts for payment by ACH or payment in 10 days. Propane and refined fuels offer 10 day payment discounts. Discounts do not apply to prepay pricing, bookings, seed or services.

Feeding Livestock in tough economic times:




By John Scheuers,
Vice President - Feed

In tough economic times it is very important to focus on the following items:


1. **Focus on return on investment versus out-of-pocket expense.** Not all purchases will give you a positive ROI when farm output values are low. All products need to be evaluated regularly in all different economic times. Some products give very positive ROI responses even in tough economic times and should be part of your feeding program.
2. **Be careful if it is too good to be true.** Some companies or individuals make claims that are just not true. Make sure to work with organizations that have proven results, good research and staff members that have your best interest in mind.
3. **Work with us to help reduce our cost of operations so that we can sell feed more economically.** Increasing load size, more notice before feed needs to get delivered, more on farm storage, more products delivered at one time (SDS) to your farm, less custom feeds versus standard line (calf feeds) all help us reduce cost of operations.
4. **Take advantage of ALL potential discounts.** 48-hour ACH gives you the best potential discount available. Don't leave discount dollars on the table.
5. **Contracting key ingredients versus just buying spot loads.**
6. **Use "best" cost ingredients to feed your livestock.** As markets change up or down, different products should come in and out of your rations.
7. **Use quality products.** Not all products or suppliers are equal. Know what you are buying and who you are buying from. Huge performance differences can be seen with variable product quality.

Let us help you with your evaluation process. United Cooperative's team of staff members and our ability to meet your needs from an operational stand point is second to none. Please let us know how we can help.




For current market commentary and expert advice, check out Expert View

 **United Cooperative**
March 16 · 🌐

United Cooperative is always looking for new ways to maximize your crop yield potential like our new hydraulic soil probes.



706 Views

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 **United Cooperative**
March 23 · 🌐

On this week's Expert View: Back to Basics – Maximize Your On-Farm Nutrient Potential with Forages



United Cooperative - SERVICES: Feed

United Cooperative provides farm owners with quality feed nutrition resources backed by expert animal science know-how, and state-of-the-art feed manufacturing. United Cooperative's feed team understands that every animal and...

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Available on Facebook or at www.unitedcooperative.com; click on news updates, feed or agronomy news. Authored by United Cooperative's feed and agronomy specialists, Expert View is timely information, in both written and video formats, and updated frequently. Got topics you'd like to see our feed and agronomy experts cover in Expert View? Send an email to communications@unitedcooperative.com with your topic idea.

Targeting the future workforce through scholarships/education



By Karl Beth,
Vice President and Chief
Operating Officer

2017 was another challenging year in agriculture, and from the looks of things this past few months, 2018 will be as well. Hopefully we have seen the bottom of this cycle, and will start a solid recovery soon.

One of the casualties of several tough years in agriculture, is our future workforce. Students who are

trying to decide on a college to attend, and what area of study to pursue, may be told “don’t go into agriculture” because the recent ag economy has been struggling. According to a Land O’Lakes survey, only 3% of college graduates and 9% of millennials would consider a career in agriculture. With more than 20,000 agricultural jobs already going unfilled each year, it is easy to see we can’t afford to lose out on any more candidates. We all need to encourage family, friends and neighbors to pursue careers in agriculture.

To help with this effort, United Cooperative has been expanding its scholarship program both financially, and by opening up the qualification criteria, to include more people. Historically, scholarships went to high school seniors and were paid in the second semester of their freshman year of college. This helped students in their first year of school, but offered no financial help throughout the remaining years of school. Today, we consider upper classmen and non-traditional students for scholarship awards as well. As you read, we awarded 50 - \$1,000 scholarships this year. Of those, 20 of them will go to students that are continuing their education.

All the facilities, equipment and technology in the world are of little value to our members if we do not have the right people with the right skills to operate them safely and efficiently. With state and federal unemployment numbers at record low levels, encouraging more people to consider agriculture as a career is more important than ever. Investing in our future workforce helps insure that our members can “Rely on Us” well into the future.