



Coop

GAME PLAN

"PERFECTING THE WINNING COMBINATION!"

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Dwane Koch
President,
Board Of Directors

Message from the Farmers Win Board of Directors:

In early December the Board met with Trent Sprecker and agreed to accept his retirement from Farmers Win Coop as General Manager. Soon after this announcement the board had Ron Cruise, who was assistant general manager, resume management duties while we decided how to fill the general manager position. Hire within or contact a hiring firm to search for a prospective candidate?

The Farmers Win Coop board believes that promoting within the company should always be a top priority. By doing so we continue to maintain a consistent culture that allows operations to continue in a smooth manner. We are very fortunate to have that type of talent within our cooperative.

Therefore, we are pleased to announce that Ron Cruise has accepted the general manager position. We believe he will move our coop in a positive direction that will maintain the values of the cooperative system. Ron's up-bringing, education and career experience in agriculture provides him a well-rounded back ground which provides sound, grower-oriented decisions. The board is very excited for this transition of leadership and are looking forward to working with Ron in the future.

Under Ron's direction are the department managers for feed, grain, agronomy and energy. The board had the pleasure this past January to hold a board planning session where we heard from each of the department managers. During those 2½ days we realized the continued need to invest in each area of our coop to make every location effective and efficient as possible. Although we had a profitable fiscal 2021 we decided to make the unpopular decision to retain our old patronage. Reinvesting this money in our facilities was the main driver behind this decision. Continuing to realize our short comings, especially the need for storage in each department, will allow Farmers Win to be better prepared in times of tight supply and strong grower demand.

During these times of tight supply the board sees the frustration by the employees when they cannot serve you appropriately. The Board of Directors would like to emphasize customer etiquette during these stressful times for both employees and the customer.

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Dwane Koch continued

Product and trucking shortages are situations employees cannot control. Please refrain from profanity or aggressive behavior that can make a situation more problematic. The board is committed to standing behind our employees and believe they deserve to be treated with respect.

As we move forward the board of directors will continue to look at opportunities that provide different revenue streams. This will be necessary for stable income as expenses, not all Ag related, increase annually in an unstable world. This allows us to be a viable business that we are all invested in and to continue to be a leader in our part of the world. As always please contact me or any board member with your input on ideas to make your coop more successful.

Dwane Koch, Board Chair



Ron Cruise
General Manager

In February of this year the Board and management staff of Farmers Win took a couple of days to meet and diagnose the future of the coop. After spending two years involved in merger talks it was time to reset and discuss positives and negatives that came from the merger process. We concluded that the challenges we faced two years ago are even more prevalent today such as shortage of labor, rising cost of all expenses, shortage of storage and the ability to pay back equity consistently.

Since that board planning session, I have made the transition from being the Agronomy Department Manager/Assistant General Manager to General Manager. It has been a very interesting couple of months for sure. This will be my 31st spring season since graduating from Iowa State and I can't remember a more volatile time in agriculture. We are seeing unmatched volatility with commodities that was brought on first by regulations due to a pandemic and then a war. The industry has settled on labeling many of the current events in the market as "Black Swans". It is a phrase I don't

care to hear again. Volatility provides opportunity but can also present greater risk. We have spent a large amount of time discussing ways to reduce financial risks for your coop brought on by the volatility in the markets. When to buy and sell when commodities have doubled or sometimes tripled have made all of our lives a little more stressful. High commodity prices do not necessarily mean higher profits for any of us. During the past 9 months Farmers Win has seen expenses climb faster than expected. The five major categories for higher expenses have been insurance, labor, interest, fuel and repairs. I'm sure most farm operations are seeing rising costs in the same areas. At the completion of our 6-month audit, at the end of January, our expenses were already up almost \$2 million compared to a year ago. We know some of these expenses will be temporary but some will also be permanent.

During the board planning session each department manager had an opportunity to give a presentation on what they believe the future will look like in the next 5 years. Besides the need for equipment and facilities they each expressed the need for an asset that most businesses are struggling with in this country, labor. The lack of people in the work force since the beginning of the pandemic has many businesses changing services or hours. Looking forward, Farmers Win will also have to change how we conduct business. Different technologies are being looked at that we never thought we would need. We will have to continue to look for and develop new relationships with different companies and entities that will allow us to do more with less so we can continue to meet our customer's needs.

Farmers Win continues to look for and research opportunities that can provide revenue for the coop and opportunities for our customers. An example of this is the investment Farmers Win put into the Shell-Rock Soybean Processing Plant. This investment will help both livestock and grain patrons by saving time and transportation when it comes to having a local end-user to sell soybeans too and a more local market to purchase soybean meal. The management staff is committed to searching for new possibilities, like the Shell-Rock Soybean Processing Plant, that can enhance our customers current markets to sell their commodities and provide least cost procurement options for products our members desire.

I appreciate all the customers who have communicated with me since accepting the General Manager position. I am grateful for this opportunity to manage a company that has customers that I once applied fertilizer and chemical for as a young applicator. Please reach out to me to let us know how Farmers Win can better serve you. Have a safe Spring Planting Season



Travis Blockhus
Agronomy Department Manager

I want to start off by thanking everyone who has reached out with congratulations on taking the agronomy manager role here at Farmers Win Coop. It is an honor that I do not take lightly. I am very aware I have some big shoes to fill but welcome the challenge. I also want to extend my congratulations to Ron Cruise on being hired as our company's new general manager. There is not a doubt in my mind he will do a great job for all of our members and employees. For the assistant agronomy manager role that I held, we offered the job internally and had great response from current employees. We will be starting the process of interviewing when time allows with the upcoming spring season. We will announce who will be filling that role once a hire has been made.

*Spring is here! We will be entering probably the most challenging Spring season I have seen in my 20-year career. Just like in your own farm operations, we will have challenges at the coop that we have not experienced before. Please keep this in mind when dealing with our employees and locations this spring. There **WILL BE** product shortages in fertilizer and chemical, shipping issues, product substitutions and probably many other challenges that we haven't even thought of yet. I assure you that the agronomy department at Famers Win Coop has done their best to put you in a good position for this growing season. We may have been very conservative at times but I believe that will make it a much smoother season for you and your operation.*

There are many factors that have put us in our current situation. Covid, labor shortages, transportation shortages, Olympics, tariffs, antidumping lawsuits, gas/diesel/oil/natural gas prices, wars, high commodity prices, etc., etc., etc. All of these have led to historic low inventories in the supply chain. An example of this is most chemical warehouses usually carryover 20% inventory for their upcoming needs. This year that percentage is around 4%. I wish I had some good news that help is on the horizon but at this time we feel that the trend will continue into the 2023 crop year. I hope we are proven wrong but it doesn't feel like there will be a quick fix or a fast correction. We continue to look for better ways to help customers by evaluating new business partners to help alleviate these situations. It is a daily challenge here at FWC. We will try to be very proactive at communicating these challenges with you as we try to navigate these situations when they arrive.

Have a safe spring season.

ACCOUNTING DEPARTMENT

Register today for farmerdata at <https://www.farmerdata.com/online/index.page> to view your account detail, access your statements, view you patronage balances, grain balances, scale ticket information, prepay balances, etc.

New this year, by signing up with farmerdata, you will now be able to process online payments by ACH, to initiate a payment on account by visiting the secure website through farmerdata. Fill out and return an Authorization Agreement for Automatic Deposits and Withdrawals Form. This form can be found on our website at www.farmerswin.com under the applications tab.

Call your local Farmers Win Coop location to find out more details.



Jerry Keleher

We are pleased to announce the recent hiring of Jerry Keleher to the grain department. Jerry comes to us from the Cooperative system where he has worked for more than 30 years.

Jerry is the third generation to live on a Heritage Farm west of Elkader. He graduated from Central Community Schools and has a bachelor's degree from University of Wisconsin-Platteville in Agriculture Business. He has two children, Madeline and Jack, and 3 grandchildren.

Jerry is very passionate in supporting the Cooperative system and serves as a director of Allamakee-Clayton Electric, Postville. In his free time, he officiates high school basketball and farms row crop grains.

Jerry is looking forward to meeting you and assisting in making the best marketing decision for your farming operations.

Contact Jerry at the Fredericksburg office (800) 562-8389 or

Cell phone (563) 880-6893 for your grain marketing needs.

Email address: jkeleher@farmerswin.com

GRAIN HAULING

As you are hauling grain, either into a location or direct to the terminal, be sure to communicate your intentions in a timely manner with office staff at our locations about what is to be done with your grain.

With direct to terminal delivered grain, be sure to put your correct information on the tickets which includes Farmers Win Coop plus either producer name or producer number. If you notice something is incorrect with a ticket, please notify the terminal prior to leaving the facility and/or notify your local FWC location. Double checking your tickets ensures that the producer, the hauler, and FWC all get paid in a timely manner.

DIRECT DEPOSIT, TEXT MESSAGES & EMAIL SERVICES

Farmers Win Coop offers direct deposit grain payments for both elevator and direct delivered grain. Funds are generally available within 48 hours of processing the ACH. We then send a duplicate check copy along with the settlement sheets to your designated email address as a PDF file.

Grain contracts are also available to email directly and sign. Additionally, we have email and text message services available for elevator scale tickets and grain markets on a daily basis.

Domestic Diesel Supply Lagging

Headlines to feed the bull/bear market in energy are plentiful. We have seen everything from geopolitical headlines to refinery disruptions to Covid outbreaks as traders rush in to buy energies only to sell off as higher margin calls force some liquidation. Regardless of how these markets react one simple chart continues to stand out. The pattern that we have been seeing in diesel (distillate) inventories is concerning and one that does not seem to be improving.

The Department of Energy (DOE) releases a weekly report that keeps the industry informed of energy product inventories within the United States. Trade direction is dictated by this report, much like a planting intentions report or stocks report in the grains. Here is the website that will take you to a whole host of information regarding energy stocks

www.eia.gov/petroleum/supply/weekly.

When discussing energy products we typically see a slower demand period that allows a product to build inventory in order to meet higher demand at a later date. Think propane.....less usage in the summer allows for inventory to build which are then used for higher demand times of winter. Diesel tends to work in the same manner. Inventories build in winter months and draw in the summer months. Remember I said “typically”; 2021 and 2022 are turning out to be anything but typical (surprising, I know).

By referencing the chart below you can discover we are trending in the wrong direction when it comes to building inventories of diesel during 2021 and 2022. Many factors have been pointed at for playing a part in the decline of inventory. Here are just a few:

- Current administration's energy policies
- Pent up consumer demand from Covid
- Russia/Ukraine War
- Refinery Disruptions

The increase in demand for diesel and a decrease in supply leads to a higher price. Diesel will be well supported in 2022 as world events will continue to keep markets very volatile. Spikes in oil and refined products will remain. Keep barrels topped off as volatile markets will have opportunities to

buy in the dips. Covering your summer/fall needs up to 50% is also recommended especially if the Russia/Ukraine war remains the top headline through spring and summer.

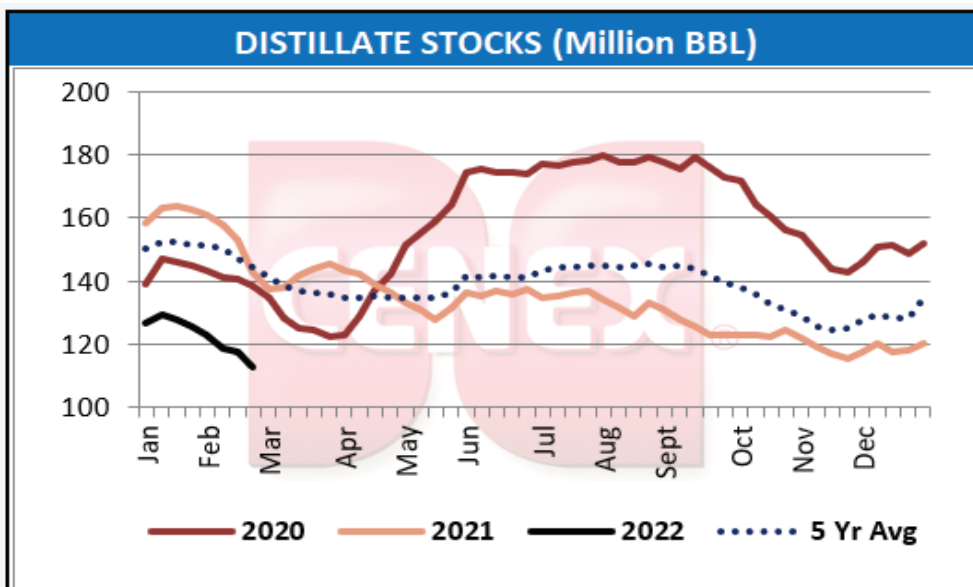
The old adage of ‘high prices cure high prices’ will come into play at some point; the question that remains is how long before they're cured!

Danny Steege
Energy Department Manager



Dan Steege

Energy Department Manager





Rodney Torgerson
Feed Division Manager

I would like to start out by first thanking you, our customers for all your business. The last couple of years with Covid have been tough but hopefully we are starting to see the light at the end of the tunnel for that. Our new challenges are inflation, fuel and the disruption of products due to Russia invading Ukraine. Even though the future looks uncertain, we do know the chances of a positive outcome are greater when we work together.

The recent events in the world have made it challenging to receive product in a timely manner. Products that are plentiful this week can be difficult the next week. We continue to do what we can with our suppliers to keep as much on inventory as possible to keep servicing our customers. When Milk Replacer and vitamins started to shoot up in price we purchased as much as we could store to ride out a couple of months' worth of increase in prices. This allowed us to keep our costs down for few months. Protein costs keep increasing so when you are harvesting your hay and haylage this summer, try to do it in a timely manner to get your best feed value out of those crops to keep your input costs down. The better your feed value is, the less you spend on protein and grain costs. If you have any questions on this please contact me or one of our nutritionists.

With the increase in labor, equipment and fuel costs we are going to increase our bulk delivery and bagging charges. We have not increased our service charges for many years as we have been able to hold them down with increased tonnage and efficiencies. Our new grind/mix and bulk feed delivery will go up around \$2.00 per ton. We are trying to keep our costs covered with as minimal of an increase to you as we can. In the past we have not been charging anything on bag delivery as long as we can drop it off with the forklift and not unstack it, with a 1000# minimum. We will be starting a \$10 drop charge for bags. The drop charge will be a \$10 charge if you get 1000# or 6 ton. I am still finalizing the bagging price increase. These charges will start in April around the 11th.

April is here so the milk replacer and cattle minerals will be switching over to Altosid for pasture minerals and Clarifly for milk replacers, calf starters, milk cows and feedlot animals. These are tools that work very well for fly control and help reduce the number of flies on your animals and help your bottom line.

With show season starting we will be running a 10% discount on High Octane Supplements from March 25th through April 20th. Please contact one of our location or nutritionists on what you think your needs will be to cover you for the show season. We are also having a show clinic April 23rd from 9:00 am to 3:00pm at the C5 Arena by Decorah Iowa.

I wish you all a safe and prosperous planting season, and again thank you for your business.

*Rod Torgerson
Feed Division Manager*

Best practices for sharing the road with farm equipment

- **Be visible:** Farm equipment is large, loud, and cumbersome - so farmers have their hands full when navigating the roads. It's entirely possible that a farmer may not be able to see your vehicle. Consider giving your horn a quick honk to alert the farmer of your presence.
- **Pass carefully:** Farmers may pull over for you to pass safely. However, if you feel you must pass and the farmer doesn't pull over, proceed with caution. Avoid passing on hills, curves, or when anything blocks your view of oncoming vehicles.
- **Don't speed past:** When passing farm equipment, be aware that your vehicle's turbulence may cause the machinery to sway and become unsteady. To prevent this, pass at a low speed.
- **Slow down:** As soon as you see farm equipment, slow down - these vehicles typically travel at about 15-25 mph. Therefore, it takes less than 7 seconds for a car traveling at 55 mph to rear-end a tractor that's 300-400 feet away.



- **Look for the Slow Moving Vehicle emblem:** Keep an eye out for the Slow Moving Vehicle emblem, which looks like an orange triangle with red borders. Here's a picture of what you're looking for.
- **Stay alert:** Watch for amber flashing lights that signal the far ends of the farm equipment. There may also be reflective tape on these far-reaching parts that increase its visibility.
- **Understand the limitations of farm equipment:** Farm equipment isn't as maneuverable as a car or truck. A lot of farm equipment can't safely negotiate road shoulders or loose surfaces - these tall, unstable vehicles run the risk of tipping over.
- **Leave space:** Stay about 50 feet back from farm equipment on the road. If you're passing, leave ample room between your vehicle and the farm equipment, because large machines can't hit the brakes and stop on a dime.
- **Watch for turns:** Wide vehicles make wide turns. If you see farm machinery veering off in one direction, it may be making a turn, not pulling over. That's because farm equipment operators have to swing a heavy left or right to make a turn. It's safest to stay back and watch what the machinery operator chooses to do next.
- **Yield to wide vehicles:** Some farm equipment may be wider than the road. If you're approaching an oncoming wide vehicle, stop and pull off the road, turn around, pick a different route, or back away so the machinery can safely pass. It's also a good idea to keep an eye out for pilot cars, which indicate that an oversized vehicle is coming down the road.

Sources: Rear View Safety

Please use caution this spring and be safe

Rich Fravel

Safety | Compliance



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ADDRESS SERVICE REQUESTED

(800) 562-8389 • www.farmerswin.com

Congratulations



*to Ron Cruise
on becoming our
General Manager*