

JULY, 2021

SYNERGY

COOPERATIVE



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GREETINGS FROM YOUR CEO

Kyle Knutson - CEO



Summer Greetings! I think it's safe to say that we are finally able to transition back to more "normal" times. It has been a long 14 months for our members, as well as our Synergy team. I applaud the Synergy team for stepping up to the challenges they faced regularly. There were days, even weeks, that seemed like one curveball after another! As we welcome back normalcy, we are still far from it in several areas of our business, particularly from the supply availability side. We continue to battle supply outages at petroleum terminals, shortages of crop nutrients, vendors unable to fulfill our orders at our retail stores. Equipment also continues to be a challenge to order and receive in a reasonable timeframe, much like the auto industry. We remain hopeful that these issues will work themselves out by the end of the year.

Once again, dividend checks were mailed at the end of March. Those checks totaled \$1,600,000 in cash. That was \$1,600,000 back in cash to our member-owners in our local communities. Moving forward, we are planning to return to normal with the annual meeting and dividend days. These events were missed by both the team members at Synergy Co-op, as well as the members. We look forward to those times to visit and stay connected to our members.

As we began the planting season, soil temperatures remained cooler for longer than we had cared for. Dry weather made planting go quickly for the most part and we were blessed with some moisture shortly after most of the crops were in. As of Mid-June, we are in dire need of rain. I believe we are officially in an "abnormally dry" range, although it looks favorable for rain in the next few days.

As of July 1st, we have completed the first 9 months of our fiscal year. Sales are up by approximately \$12.5 million which is about a 9% increase. Some of the increase in sales dollars are due to increased commodity prices, however, we are seeing increased unit sales across virtually all areas of the cooperative. Financially, the bottom line of the cooperative is lagging behind last year a bit due to the decreased propane demand from last winter from home heating and grain drying, along with the decreased grain drying revenues at our grain facilities. We are looking forward to a strong agronomy season and a busy summer driving season for our retail locations to finish the year strong.

Your cooperative is working on a few projects this summer and fall. The grain bin addition in Almena is still on schedule to be in operation at harvest time. We are also working on an automation project for bagging/stacking feed in our Elk Mound feed mill. This project is slated to be completed around the first of December. The Ridgeland and Rice Lake West Convenience Stores will be starting their petroleum upgrade projects after Labor Day. This will include new containments over the tank field, electrical, communication lines, fuel lines, and containment under the fuel dispensers. Unfortunately, these stores will have some interruptions to the availability of fuel at the time of these upgrades. We continue to make these improvements for our member-owners. It's your business. We will strive to continue to make it better for the next generation of owners, patrons, and employees.

The summer months offer several opportunities for your cooperative to support the communities we operate in at their fairs. You will find Synergy team members volunteering at many of these events, as well as your cooperative supporting the youth in bidding/purchasing their animals at the fair auctions. One of the cooperative's fundamentals is: **BE AN ASSET TO YOUR COMMUNITY**. Community is one of our stated values. Cooperatives are critical to the success and survival of our rural communities. This is an exciting time for your Synergy team to be involved in their communities.

In the meantime, I hope to see you out and about this summer at some of these events. I am eager to see what "normal" looks like this summer and see the happiness of people enjoying it. Thank you for the continued support of YOUR local cooperative.

Have a Great Summer!

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AGRONOMY

Matt Schofield - COO of Agricultural Services



With spring well in hand and the feel of the summer heat on our backs, I would like to take this opportunity to introduce myself in my new role as COO of Ag Services for Synergy Cooperative. Through the spring season, I have primarily remained in my role as Central Agronomy manager while starting to work into my new role as much as possible. During the summer I will make the transition into more full-time functions of leading our agronomy, feed, and grain divisions.

For those of you that may not know much about me, I have been around or involved with our local cooperative system most of my life, starting as a kid growing up on our family farm near Chetek. I worked at the Chetek feed mill during the summers while attending UW-River Falls where I obtained a degree in Agricultural Business. I have worked for the coop full time since February of 1995, starting in agronomy sales before moving into managing agronomy, Ag Services, and my current role with Synergy. During this time, I met my wife and we have raised our four wonderful children on the family farm while staying busy in numerous activities.

Well, enough about me and let's talk some about Synergy Coop and a few of the things taking place. The agronomy spring season has been in full swing, but will soon be winding down as we move through the summer and the crops progress to harvest. It has been a tremendous spring with some big challenges, but for the most part smooth weather, maybe too smooth as while I am writing this, we all could use some rain. Spring has seen many challenges in the supply chain for fertilizer and chemical, but I believe we have been able to get all of the chemical and fertilizer supplies that have been needed without any delay in our services. As we move towards 2022, it appears that there will be some ongoing challenges to work through. We believe as a company and staff that we are positioned extremely well to offset these challenges.

Our feed and grain divisions are currently working on some new projects as well. In grain, many of you have seen that we are adding a new grain bin in Almena along Highway 8. This bin will add a little over 500,000 bushels of grain storage and along with the extra storage should help to speed up grain delivery times and reduce delays. The feed division is working on the addition of a new robotic stacker and bagging system at the Elk Mound feed mill. This will greatly increase our bagging efficiency and costs while providing a safer work environment for our employees.



Once again, I look forward to serving Synergy Co-op and the patrons and I thank everyone for their continued support of our cooperative system and its future success.

AGRONOMY

Travis Berg - Agronomy Manager - Southern Region



Early springs are always welcome in the Agronomy business. It gives us a chance to get geared up early and get a jump start on getting fieldwork done, much like you. This was one of those years which tends to be hard to come by. Customers were able to get early tillage passes done along with spreading manure, which really relieved some spring stresses you have had compared to normal springs.

Cool and dry weather allowed growers to get their planters in the field early, but cool soil temperatures were a concern. I haven't heard of a lot of emergence issues like was expected, but some fields were hit by an early frost. Replanting was done on some fields in select areas, but a lot of growers dodged the bullet and just got some frost burn. Pre-emergence herbicides were put on many fields, but rainfall is needed somewhat often to keep the chemical activated and working on sprouting weed seeds. The lack of timely rainfall has created the need for some resprays. This was expected since these herbicides tend to need around 0.5"/week at a minimum to stay activated. Continue to watch your fields or call one of our agronomists and we will be happy to scout your field!

Fertilizer markets have been on a steady climb throughout the spring. Tight supplies in the upper Midwest during the planting season caused some price increases. A very large portion of the country was able to get in the field early and at a similar time, which caused a lot of stress on the transportation system. There were a few more issues getting trucks because of various reasons, but finding help and drivers was the main struggle. A few issues popped up on the river and it was very hard to find boats available to push barges up the river. Many barges got backed up for this reason. There has also been an issue with a main potash mine in Canada that needed to be shut down due to safety concerns. This along with extremely strong demand and a good grain price has been the perfect storm for higher prices. I fully expect fertilizer to continue to stay strong, but looking very far forward is especially tough to do in this volatile market. Feel free to contact me or your agronomist if you have further questions on this.

As always, we appreciate your business this season and going forward. Please stay safe as you continue fieldwork throughout the year!

HEADING TO FARM TECHNOLOGY DAYS?

Tuesday, July 20 thru Thursday, July 22, 2021

9:00 am to 4:00 pm

**Huntsinger Farms
W3020 Mitchell Road
Eau Claire, WI 54701**

EAU CLAIRE COUNTY

**2021
JULY 20-22**



THE FUTURE OF FARMING IS HERE!

Check out our booth in Tent City 431-433, next to the food tent between Innovation Square and the WI Cattleman's Beef Tent

AGRONOMY

Rich Carr - Agronomy Manager - Northern Region



Another successful planting season has come to an end. This season again has brought a lot of challenges for our crops from emergence through the current stage that they are in. Mother nature can be very brutal and makes it extremely hard to maximize our yields during these periods.

How can we overcome and get the most out of every acre?

- 1). Scout, Scout, and Scout
 - Weeds, Insects, and diseases rob you of yields
 - Have your Synergy Agronomist walk with you to check your fields
- 2). How are the crops advancing?
 - Did everything go as planned?
 - What needs to change for next year?
 - What can we still do to improve the yield for this season?
- 3). Fertility?
 - Fertility levels
 - A). Have we feed the crops to produce high-end yields?
 - B). A little extra Nitrogen can boost yields for a better ROI.



At this stage of the season, one may consider foliar fungicides.

We all know that our crops are continuously stressed from mother nature and we are blessed with many different pests that seem to love to feed on the plants in the fields. The plants are stronger today than ever, but still, need all the help they can get. Here are a few factors why we need to look at using a foliar fungicide:

- Weather- excess heat, wind, hail, moisture (too much or too little), and cool temps can all add severe stress to your plants.
- Insects- bugs feed on your crops causing open lesions for disease to set in.
- Susceptible varieties- some hybrids are very high-yielding yet offer poor defensive disease protection. (Fungicides shine with these varieties.)
- Timing- This is the most critical decision in determining when or if to spray. If your too early or too late, fungicides generally do bring value.

My recommendations for timing are as follows.

- Soybeans: Spray at R2 (full flower) to R3 (first pod). Time and time again I see a 5-8 bu increase per acre at this stage.
- Corn: Spray at V6-V7 and if possible, again at full tassel. With corn, it is very important to look at the response to fungicide in the seed catalog. Put your dollars towards the high-response hybrids. We have several silage-specific hybrids that average an additional 3+ tons per acre when fungicides are used.

Thank you all for your business!

AGRONOMY

Jon Wantoch - Ridgeland Agronomy Manager



Happy Summer from Central Agronomy,

Well, another year of meeting the halfway point of the agronomy growing season is upon us, and yet another year that is turning out different than everyone's prediction. As we continue to work through our season, we find there is never a bad time to say thank you for everyone's business, patience, and cooperation for the year! Obviously, the weather conditions and commodity prices will continue to be hot topics through the remainder of the season. Here on the battlefield of agronomy, we've experienced one of the most consistent seasons in many years with service. Mostly due to the weather and lack of "rain days", agronomy services have been steady throughout the season. Hopefully, everyone experienced timely service with minimal wait times. As an agronomy department as a whole, (South, Central, and North) we hope you have all seen consistency and improvements on the efficiency end, which are all a result of the merger when we became "Synergy Cooperative."

Speaking of the Synergy Cooperative merger, I find myself thinking and wondering if we have accomplished the main reasons for the merger. I believe the top two reasons voting members voted yes, was to gain efficiencies and improve profitability. I look back over the last three agronomy seasons, and I continue to notice better communication within our departments between all locations. I see working relationships continue to develop and build. I see collaboration continue to improve. I see less and less division between the three regions. I've also noticed growers enjoy the advantages of having products available at more than just one location. I hear compliments on services coming from different locations as that speeds up deliveries and arrivals. Hopefully, as you read this, you find a sense of gratification, a sense of success, a feeling of pride, knowing your cooperative is succeeding.

So, next, I ask myself, where's the proof of our success? One measure of proof always comes at our year-end, with the proof being our annual report showing success. Obviously, we have a ways to go before we end this year's financials. The other proof of our success is how we succeeded through the season. Probably some of you, but maybe not all, are aware of the challenges one of our locations faced this spring with Covid-19. The result of the situation was a location closing for 10 days, as quarantines and distancing were forced. Even with this situation, agronomy never missed a beat. Through communication, teamwork, and togetherness of Synergy Agronomy (South, Central, and North), all customers continued to see timely deliveries and services. How your agronomy division came together and pulled for everyone, is the best proof I have for showing our members that we are indeed meeting the goals of the merger. Please be proud of your Cooperative.

With all of that said, we never say thank you enough to all of our patrons. Thanks again. Enjoy your summer, find some time for family and friends, and please be thankful for each other and everything we have.



Welcome to Summer!

What a difference a year makes. Fairs and shows are starting and really mark a much-desired return to normalcy. I am pretty excited to make it to some fairs and look at a few of the animal projects. It is always an enjoyable time. I also noticed it was much easier to schedule butchering for my pigs this year. I would not say we are entirely back to what was considered normal yet since every year brings opportunities and challenges of its own. We are seeing high commodity prices, a few supply chain interruptions and as of now, some pretty dry weather. Corn gluten has declined substantially and some producers have begun summer contracting on that product as dry weather has caused forage crop concerns. Canola has also declined and again, some summer contracting has taken place. Soy hulls are very expensive at this point because the soy processor in Fairmont has been down for quite some time. This is leaving soy hulls to come out of Mankato or to be trucked from Iowa. Availability has been steady on vitamins and feed urea although still considerably higher than last year. Fats and oils seem to be a different story; they are hard to get and very expensive. Palm fat is leading this supply shortage with blends following. Considering all the volatility in the market, it would be extremely beneficial to work closely with a Synergy nutritionist. They are not product salespeople but will formulate rations for your specific farm's needs. If you need more milk, they will figure out how to get it. If you need to stretch your forage, they can help with that. Looking to finish those steers quicker, get heifers into the milking line sooner or have healthier calves-then you must visit with a Synergy nutritionist. Their goal is very simple. It is the farms' success that drives the Synergy bus!

With the dry weather and pastures already feeling the heat, it may be a great time to explore a lick tank or another quality liquid feed product from QLF. It is economical and very easy to use. Randy Leis recently joined the Synergy feed team. He specializes in keeping your liquid feed setups operational and reduces feed outages, giving your animals much more consistent consumption. Randy knows how important it is to keep a consistent product supply in front of those animals. He dairy farmed in the past and finishes cattle now, along with crop farming down by Mondovi. Randy previously managed the liquid feed department for another Cooperative and comes to Synergy with numerous years of service under his belt. He has a wealth of information on the main QLF products and works very closely with Synergy nutritionists and Angie Metcalf from QLF. Please visit with your Synergy nutritionist or your local Synergy feed supplier to see how to put Randy and Quality Liquid Feed to work for you.

Synergy has another new hire to showcase and this hire has taken well over a year to recruit. The new hire is a bag stacking robot. After many discussions, tours, power points, and a ton of different structural designs and quotes, it is approved and in progress. The tentative finish date is November and the robot will be placed at our Elk Mound facility. It will increase bag output, protect our employees from injury, and lower bagging costs. It will give Synergy the opportunity to use its' labor force much more efficiently and effectively. With the difficulty of the labor market, the robotic stacker and the update to the automated mixing system will increase productivity without increasing labor costs. I will give updates on the progress of this exciting addition in future newsletters.

There are several other projects in the works with you, the customer, in mind. You can look forward to reading about some of them in future newsletters. Please have a safe, enjoyable summer, and thank you for all the support.

As always, keep first things first: Faith, Family, and Farming. I hope to see you at the fair!

FEED

Sarah McHenry - Feed Sales Manager



As I am writing this it seems like most of first crop has been harvested and is either being fed or given time to ferment for feeding later. So how does this year's first crop test so far? That is a really good question considering all the diverse growing conditions the alfalfa went through before first cutting. From the samples that we have seen come back, the relative feed value (RFV) ranged from 130 to 200, which is a pretty big range considering they were all cut within a few days of each other. Even with that fairly wide range on RFV the uNDFom on most samples has been low, which indicates the haylage is pretty digestible. The uNDFom is a measure of the NDF, which is the main fiber component of forages, that will never be digested by the animal. This value also helps indicate the rumen fill factor and dry matter intake of the animals. The lower the uNDFom value the better. The lab average for uNDFom on haylage is around 18. That is higher than most of the first crop samples that have been coming in; samples we have seen are ranging from 15-18 for the most part. Therefore, in most situations, we can replace some high-priced commodities with highly digestible first crop haylage.

Another factor that is affecting most cattle is heat stress. Given the hot days and even some hot nights as of late, heat abatement is key for getting through this unusual early hot weather. A couple of tips for heat abatement are fans running pretty much all day and night, sprinklers or at least wetting the animals a couple of times a day, access to shade, and ensuring the feed in front of the cows is cool or at least air temperature. If the feed is getting hot, a couple of strategies that can help are feeding twice a day or more and feeding heavier at night when the animals have a chance to cool down and therefore tend to eat better. If the feeds that are being fed are not fully fermented, heating will occur quickly so adding propionic acid-based products to the TMR could help keep the feed more stable and palatable. As for other feed additives, nothing will be better than the ideas listed above, however, Synergy does carry Hydrolac which has been used a fair amount in our Northern market and is described as Gatorade for cows. As always, Brad, Alice, Britt, Doug, and I are here to help.

Hope you have a safe and productive summer!



FEED

Britt Meyers - Livestock Nutrition Consultant

Hello, my name is Britt Meyers and I am a part of the Livestock Nutrition team here at Synergy Cooperative. I was hired last March at the Rice Lake feed mill and have been primarily based out of there for the past year. I'm originally from the area and have a strong beef background. While working in Rice Lake, I have been able to expand my knowledge on the beef side of the feed industry, as well as, learning the ins and outs of making sheep, pig, goat, and chicken rations. My main focus over the past year has been on dairy cattle and finding the most effective ways to help operations through the challenges we are now facing due to the pandemic. I have had the opportunity to work with many new farms and am fortunate to have an intelligent group of individuals to turn to at the co-op when there are questions I cannot answer. I appreciate everything that you all have done to welcome me and look forward to another great year working with you.

GRAIN

Jerry Bates - Grain Manager



It has been quite a wild ride since the fall 2020 harvest began. Here's a quick recap of what it has felt like to be a farmer making selling decisions in this environment:

Pre-harvest: Prices are terrible with not much hope of getting better.
"Guess I'll store and ignore for a while once I get this stuff harvested."

Harvest: Prices start rallying.
"Didn't think I'd get this chance, I guess I can sell some."

A few weeks later: Prices keep rallying.
"These numbers look pretty good, I'm going to sell a little more than usual for this time of year."

A few weeks later: Prices keep rallying.
"I haven't seen these prices in years, better reward them and keep selling!"

A few weeks later: Prices keep rallying.
"How can I say no to these prices? I better go ahead and sell the rest before it's too late. My banker will be happy. This will be my best year in a long time."

A few weeks later: Prices...Keep...Rallying...
"Oh no! What have I done? I will never make this mistake again!"

It's time to look forward! We all know you can't change the past and you shouldn't be beating yourself up overselling profitable prices just because there could have been more profit available. So you didn't hit the high – that's not the goal of any farm marketing plan because it is essentially impossible. The goal is consistently selling good prices, not the high!

Over time, you will end up being the one who sells too early or the one who sells too late. The one that sells early usually sells because the price was good and returned a reasonable or good margin at the time. The one who sells too late most years is giving up and taking whatever they can get to cover bills that are due or make room for a new harvest. Over time, the one who sells "too early" is far and away in a better position.

When you decided to be a better forward contractor and sell when profitable prices were available, years like this were part of that deal. Historically about 1 out of 10 years, these sorts of events take place where waiting around to sell could actually make you more money. The reason to sell ahead and take profits when available is because historically 9 out of 10 years, it's the best thing to do.

Here we are at that 1 out of 10 years. Do you let it blow your perspective and ruin your marketing plan for years to come? Or, do you remain calm and consistent in the face of a year you knew would happen eventually?

GRAIN

The last time we had a big rally in corn was 2012/2013. While everyone was kicking themselves for selling the 2012 crop "too early," that winter of early 2013 set the highs for 2013, 2014, and 2015 crop! Rallies tend to have long tails and if you are dwelling on the past and aren't looking forward, you could miss a big opportunity.

At this point, much of the cost of the crop is known and you can really make some great business decisions about profitability on the upcoming crop. Prices are high right now and most places are going to show good profitability numbers. But how much is enough? How much should be sold right now? What if there are production issues? All good questions.

In times like this, it's useful to think in terms of how much of the crop is needed to cover production costs and how many bushels would we have above that in an average year. Here is an example of a local producer.

Current Year Corn
Current Price: \$5.50
Cost Per Acre: \$650.00
Breakeven Bushels: 118
Avg. Prod History (APH): 180
% to cover all costs: 65.7%

In this case, the farmer had 75% crop insurance coverage. So, he could sell about two-thirds of his production (118 bushels/acre) and cover all of his costs, but still be below his insurance coverage in the case of non-production. In doing this, he guarantees he can cover all the costs of his farm this year and any corn bushels he makes above 118 bu/acre will be 100% profit.

What does this math look like for you? Maybe you've sold some ahead already and would need to average up a bit. Maybe you haven't sold any yet, but your cost situation is much different. Or maybe this is pretty close to your situation.

Whatever the case, it's important to know where you are right now so you can make some decisions about it. Depending on when you are reading this, we are in or very close to the traditional time for making good new crop sales. Maybe selling today makes sense, if not, you need to have a plan and some target price contracts in and working with Synergy Cooperative so that you reward the market if and when the price gets to where you need it.

If you have any questions or need help with grain marketing please feel free to give us a call. We thank you for your patronage.



STAY CONNECTED!

FOLLOW US ON FACEBOOK
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CONVENIENCE STORES

Troy Strand - C-Store Operations Manager



Loyalty Program

Synergy Cooperative is excited to continue our local card program offering many of the same benefits offered by nationally known companies, as well as meeting shoppers' loyalty expectations. Our loyalty program is strong and has been very successful in growing sales and increasing customer counts. When we compare ourselves to other companies using the same loyalty service, we average \$4 more per non-fuel purchase than our competitors. Additionally, we show an increase in gallons of nearly 5 gallons per transaction when using our loyalty.

When you sign up for our loyalty you can use it immediately and we even start you out with a few points. You can also save on every gallon of gas or diesel you pump using your loyalty. Saving receipts to track sales for patronage is no longer be required! We have three different options for loyalty.

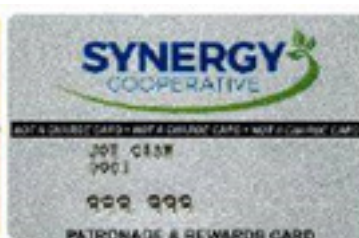
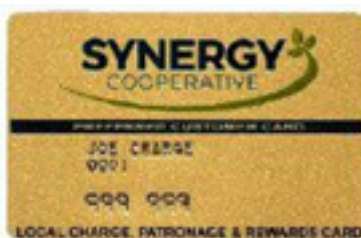
Synergy Gold Card – This is your all-in-one card. It allows you to charge, track patronage and earn loyalty in convenience stores (except Barron A & W, Colfax Subway, Menomonie Exit 45 Restaurant, Almena Holiday).

Synergy Silver Card – If you do not want a charge account, no problem! Our Silver card allows patronage tracking and loyalty in the convenience stores with the same exceptions above. Note: This card must be used inside the store. Pay at the pump is not available with the silver card at this time.

Loyalty Blue Card – Used for Loyalty only. This card does not allow patronage tracking or charging privileges. It allows you to earn points with purchases at the pump or inside.

Loyalty Rewards - All three cards will have the ability to earn loyalty rewards. The point program gives money off purchases in convenience stores. We are also continuing our "Bonus Buy" promotion, along with cents off per gallon. Sign up today and receive 200 bonus points!

Patronage - Customers often ask what is patronage and why is it important to them? Simply defined, patronage is profit distributed to our members and is similar to a dividend payment. Patronage is based on net profit earned by Synergy and is only available from a cooperative. Corporations or privately-owned businesses do not pay patronage which is a key reason to do business with Synergy Cooperative. Patronage payments are not guaranteed and are determined annually by the Board of Directors.



CONVENIENCE STORES

Promotion

Please welcome me in congratulating Brandon Gehling on being promoted to our convenience store management team. Brandon has accepted the position of store manager at our Ridgeland convenience store. Brandon has played several parts in the convenience store division, including assistant manager at our Ridgeland location and assistant manager at our Barron Travel Plaza. He has also filled in as an interim manager for us several times. We all look forward to working with Brandon and can't wait to see him in action. Please stop into our Ridgeland location to welcome him to his new position.

Making it Easier

Car washes are a big part of our entire convenience store operation. We offer this service at 5 of our current locations (Colfax, Boyceville, Menomonie Hwy 25, Ridgeland, and Turtle Lake). To make it easier, we added credit to our terminals at the point of entry. Some of you may have seen this feature at our Boyceville and Colfax washes, however it is now available at all five. This will help improve profits along with customer retention and simply make it easier for our members to keep their cars looking good!

Cumberland Cenex Grand Opening Celebration

Come Celebrate with us on August 27th at the new Cumberland Cenex where we will be offering a **FREE** hotdog, chips, and a beverage. This will be our grand opening event. We will be promoting some great products and working with our partners at the Rice Lake Radio Group on Lovin' the Lake. You will have a chance to enter for some great prizes, along with many sampling events to try our new products from Hot Stuff, Smith Brothers Meats, Louis Meats, North Country Cheese and we can't forget some tasty beverages for Lovin' the Lake. [Please save the date and join us!](#)



CHECK OUT OUR RESTAURANT & BAKERY!



EXIT 45 RESTAURANT & BAKERY
2100 COUNTY ROAD B
MENOMONIE, WI 54751



Exit 45 Restaurant and Bakery is a from scratch full service restaurant. Homemade food, breakfast, lunch and dinner. Plus house made pies and desserts.



Open daily: 6:00 AM to 9:00 PM for dine in or take out

You can also order online at
www.synergycoopexit45.com



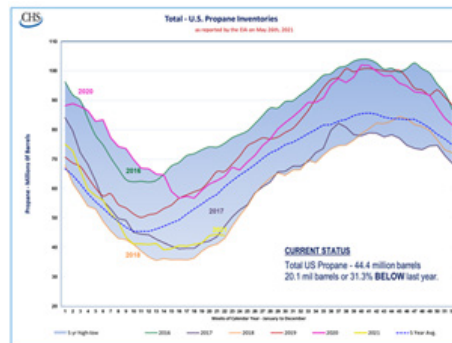
ENERGY - PROPANE

Brady Arntson - Propane Division Manager



Hello from the Propane Division,

Summer has finally arrived and it is now time to think about filling your propane tank(s), as well as consider your fall and winter propane needs. We are working on putting together our annual safety mailings along with the propane contracts. You should be receiving that in the mail around the time you receive this newsletter. If you did not receive your propane mailing by July 31st, please call our office to have another one sent to you. The contracting program will be open until the end of August. Your cooperative is offering a variety of contracting options again this year; we will have your traditional pre-buy option, a deposit option and a price-locked budget option. I encourage everyone to consider one of these options to help with risk management regarding rising in-season prices. The budget plan options are also an excellent way to allow the customer to pay equal payments each month and avoid that larger bill each time the propane tank is filled.



Looking to buy now? It is a good time to think about ordering your summer-fill delivery of propane. Prices appear to be as low as I think they will get for the summer. This year, the summer pricing is considerably higher than what we are used to in the past. This is primarily driven by the declining U.S. propane inventories, higher crude oil prices, and record propane export levels. The inventory graph above illustrates these levels.

Please call to order a delivery when your tank gauge reads 30% to allow ample time for your cooperative to efficiently schedule your delivery. The more deliveries we can "pool together" in your area, the fewer miles we have to drive to deliver gas. This allows us to be more efficient and reduce delivery costs, which in turn, enables your co-op to be more profitable and return a higher dividend to you, our member-owners.

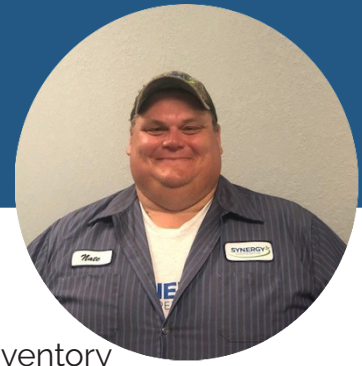
Steps to take if you smell gas or suspect a leak:

- Extinguish all smoking materials and any other open flames or sources of ignition.
- Get everyone outside and away from the home or building.
- Shut off the gas supply with the service valve at the tank if possible. (Turn the valve on the tank to the right to close.)
- Call your propane supplier (use a cell phone outside or a neighbor's phone if the propane smell is coming from inside the house).
- Stay outside and leave the gas off until assistance arrives.

Thank you for your patronage and I hope you have a safe enjoyable summer.

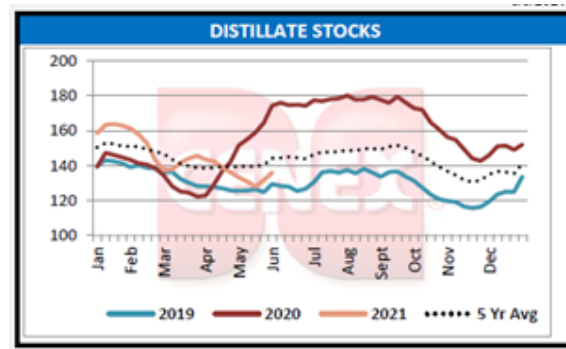
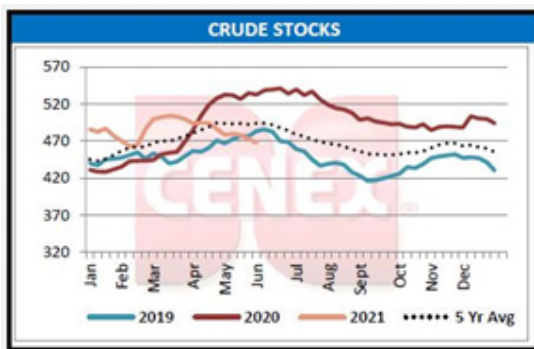
ENERGY - FUEL

Nathan Hover - Petroleum Manager



Hello from the Fuel Division,

As you all have seen, the prices of gas and diesel have been on an upward trend since last fall. The inventory graphs shown below illustrate the U.S. Inventory levels of crude oil and diesel fuel. The gasoline stocks chart follows the same pattern as well. The inventory levels of crude oil, diesel fuel, and gasoline declined to levels that are lower than the 5-year average has been. Crude oil pricing has breached the \$70.00 per barrel level, a price that we haven't seen since October 2018.



5-year Historical Crude Oil Pricing

Below are a few market headlines that continue to keep the energy complex firm at this point:

- **Goldman Sachs:** With vaccination progress continuing to improve economic activity, global oil demand has increased an estimated 1.5 million barrels per day (BPD) over the last month and now is at 96.5 million BPD. U.S. investment bank Goldman Sachs expects the recovery to continue and for global demand to be at 99.0 million BPD in August while OPEC+ production is anticipated to lag the demand rebound. The investment bank expects Brent crude to reach \$80 this summer (compared to currently just above the \$72 level).
- **U.S. crude exports anticipated to fall in June:** American crude exports have been around 3 million barrels per day (BPD) every month so far in 2021. That level is not expected to be met in the current month considering poor profitability currently being experienced to ship the commodity overseas. Plus, U.S. refineries are increasing production (see U.S. refinery utilization currently at 91%) while global buyers are decreasing purchases.

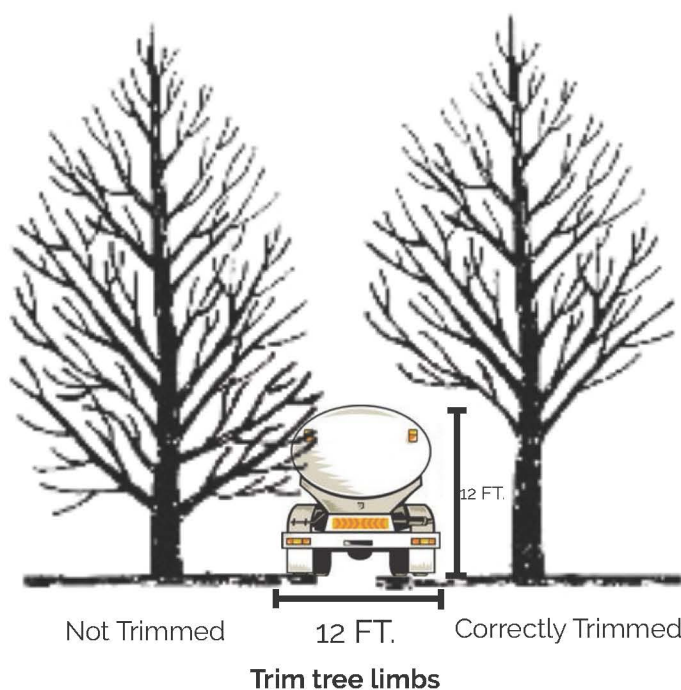
ENERGY - FUEL

If you would like more information on the direction of the energy markets or information on risk management tools to protect yourself from rising prices in the future, please call Dave Kaufenberg in Almena, Todd Mandel in Rice Lake, or Josh Sykora in Elk Mound. We can offer contract diesel fuel for any patron at any time. Just call us for a futures market quote between 9 a.m. and 1 p.m. daily.

Diesel Exhaust Fluid Delivery has been well received by our members and continues to grow. Synergy Co-op has bulk DEF storage containers, pumps, equipment, and delivery available out of our Rice Lake location. We have 55-gallon drums that can be delivered, exchanged, or picked up at several locations, along with a tote exchange program. We also deliver bulk DEF into customers' totes or larger bulk tanks. DEF is highly susceptible to contamination. To learn more about practices to reduce the risk of DEF contamination please contact your local Synergy Co-op office to request information in regards to DEF handling and storage.

Don't forget to consider Synergy Coop for your bulk lubricants and grease needs. Cenex Premium Lubricants are available for delivery in bulk, saving you time and money! For your convenience, when ordering fuel to be delivered, you can request the driver to deliver cases of grease in either 10 packs of tubes or a full case of 40 tubes. We carry several different grease products at all locations for your convenience.

Thank you for your patronage and I hope you have an enjoyable summer!



With the area that we live in being very rural, trees and bushes are part of our lives, homes, and scenery. That said, sometimes these limbs and shrubbery can make it difficult for the drivers to reach the places they need to. Hanging tree limbs can block our trucks from safely entering your driveway or over your tank, even going so far as to snap off and fall down. Please keep in mind that trees with snow on them do sag (especially pines), so they may need extra clearance. If trees contact our truck we may not enter your yard and be able to make your delivery until the trees are trimmed, so we ask that you help our drivers out by keeping them neat and trimmed. Also if you have a shared private road those also need to be maintained, if we can't get down your road we can't get to your driveway.

Thank you for your business and your cooperation.

SERVICE STATIONS

Mark Kucko - Service Station/Hardware Store Division Manager



With summer here we can finally get out and travel to our favorite vacation spot. The service stations are here to make sure your vehicle is ready for you. So, stop in at one of our five service stations to have your vehicle checked over. Our services include oil changes, brake replacements, filter and belt checks, air conditioner upkeep, battery testing and replacements, coolants, transmissions, and anything else you need to be done. We want your summer travels to be safe and worry-free. We also have a large selection of truck, car, trailer, and 4-wheeler tires available for you. On the farming side, we have tractor tires and on-the-farm tire service. Please give us a call and we would be happy to help you with your service station needs.



Colfax
618 Main St.
715-962-2276

Menomonie
807 Main St.
715-232-6210

Chetek
3020 Knapp St.
715-924-4833

Rice Lake
924 Hammond Ave.
715-234-7136

Ridgeland
318 Railroad St.
715-949-1831

We hope you have a great summer!



HARDWARE

Hello from the Hardware Stores,

We hope everyone is enjoying the summer! At our three hardware stores located in Colfax, Rice Lake, and Ridgeland, we have a great selection of products for you. A few of these items include garden hoses, shovels, racks, bolts, nuts, screws, electrical supplies, plumbing items, L.P. hoses, fittings, regulators, camping supplies, insect sprays for gardens, belts, skeeter getters, oils, filters, DEF and just about anything else you need. So, stop in and check out our product line! Our products vary slightly by location, feel free to contact us with questions about inventory.

HAVE A GREAT SUMMER
Thanks for Your Business



SCHOLARSHIP WINNERS



Nicole Fokht

Nicole just graduated from Ashland High School. This fall she plans on attending Chippewa Valley Technical College studying Nutrition and EMT.



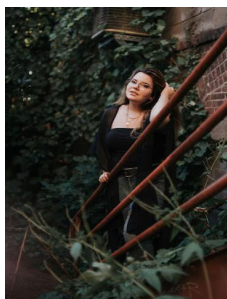
Phoebe Jerome

Phoebe Jerome graduated this spring from Barron High School. This fall she plans on studying at UW-Madison. She will be majoring in Chemical Engineering.



Ryan Kupper

Ryan graduated this spring from Birchwood High School. This fall he plans on attending Orange County Technical College in Florida. He will be studying Electrical System Engineering.



Veronica Turner

Veronica graduated from Boyceville High School this spring. This fall she will be attending UW-River Falls. She will be majoring in Veterinary Pre-Professional Science.



Henry Huth

Henry graduated this spring from Cameron High School. This fall he plans on attending UW-Madison, where he will be majoring in Mechanical or Electrical Engineering.

SCHOLARSHIP WINNERS



Madeleine Schofield

Madeleine graduated this spring from Chetek-Weyerhaeuser High School. This fall she plans on attending UW-La Crosse where she will be studying Accounting.



Emily Syverson

Emily just graduated from Chippewa Falls High School. This fall she plans on attending UW-River Falls studying Animal Science.



Amanda Grant

Amanda graduated this spring from Clayton High School. This fall she plans on attending UW-Madison.



Alex St. John

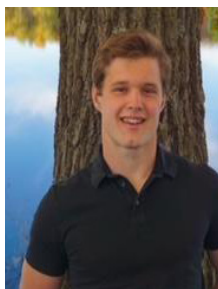
Alex graduated this spring from Clear Lake High School. This fall he plans on attending UW-Stout. He will be majoring in Construction Management.



Sydney Herrick

Sydney graduated from Colfax High School this spring. This fall she will be studying Culinary Arts at CVTC.

SCHOLARSHIP WINNERS



Milan Monchilovich

Milan graduated this spring from Cumberland High School. This fall he plans on attending UW-River Falls where he will be majoring in Biochemistry.



Riley Erickson

Riley just graduated from Eleva-Strum High School. This fall he plans on attending UW-Eau Claire where he will be studying Environmental Science.



Bailey Gilbertson

Bailey graduated this spring from Elk Mound High School. This fall she plans on studying at UW-Stout. She will be majoring in Industrial Design.



Gabe Rombalski

Gabe graduated from Independence High School this year and plans on continuing his education at Viterbo this fall. He plans on studying Math and Analytics.



Kendall Rudiger

Kendall graduated this spring from Menomonie High School. This fall she plans on attending UW-River Falls. She will be majoring in Animal Science.

SCHOLARSHIP WINNERS



Zach Fedie

Zach graduated from New Auburn High School this spring. This fall he will be attending Fox Valley Technical College. He will be majoring in the FABTECH Program.



Emma Bergmann

Emma graduated this spring from Prairie Farm High School. This fall she plans on studying at WITC. She will be majoring in Business Management.



Eryn Bates

Eryn just graduated from Prairie Farm High School. This fall she plans on attending WITC and will study Criminal Justice.



Derek Penzkover

Derek graduated this spring from Rice Lake High School. This fall he plans on attending UW-Steven's Point. He will be majoring in Natural Resources and Environmental Sciences.



Haley Balts

Haley graduated from Shell Lake High School this spring. This fall she will be attending UW-Stout. She will be majoring in Industrial/Product Design.



Mitchell Maassen

Mitchell graduated from Turtle Lake High School this year and plans on continuing his education at Northeast Iowa Community College this fall. He plans on studying the John Deere TECH Program.

CREDIT DEPARTMENT

The Credit Team - Diane Kuhl and Bobbi Demers



Hot Fun in the Summertime

BUDGET & PRE-BUY ACCOUNTS - Just a reminder that June is the final budget month with July as "clean up month." This means that if you still have a balance on your 2020-2021 budget, it will need to be cleaned up to start fresh for the 2021-2022 budget program. Watch for mailings in July for the BUDGET and PRE-BUY PLANS. If you are new to Synergy and don't get this mailing, please let us know that you'd like to sign up.

PAYMENTS - If you're rushed for time, we've got you covered for all your bookkeeping and payment needs. Sign up for emailed statements and invoices. You can also find all the information you need about your account at our website at www.synergycoop.com. We also offer weekly ACH payments (to always ensure you get your discount) or you can make your payment online or by phone. Payments made online through our website are not eligible for the discount.

MOVING? CHANGE TO YOUR ACCOUNT? - If you will be selling your home, please let us know right away, particularly if you are on keep fill. We want to prevent deliveries to the wrong party. We can also help the new owner establish their account, sign the new lease, etc.

If the account owner has passed away, please let us know so a new account can be established and any stock retirement paid out.

If you've moved, changed phone numbers or email addresses, please let us know as well. Although many of our customers are signed up for emailed statements and invoices, many come back each month due to bad email addresses.

HAVE SYNERGY CARDS? - When you use your Synergy card at the stations, you can earn not only money-saving rewards but also patronage on your purchases to build your stock equity. (Our Holiday station in Almena is currently not part of the card program but has their own internal cards. Please inquire at that station.)

To apply for a Synergy account or obtain new or additional cards, please contact any location.

Have a safe and happy summer!



A NOTE FROM THE OFFICE

The Controller Group - Enid Jackson - Becky Norris - Alicia Streich

Not sure about you, but a little cooler weather and some rain would help.

Well, as some of you already know, Synergy Cooperative is passing through to our grain customers \$680,484.00 of the DPAD, Domestic Production Activities Deduction, for our fiscal year that ended September 30, 2020. This amount should help reduce your taxable income on your 2021 income tax return.

The DPAD works out to be about as follows:

DPAD per Bushel

Corn \$.094 Beans \$.2462

Barley \$.0881 Oats \$.083 Wheat \$.1325 Rye \$.113750

A letter was mailed to you notifying you of important tax information. It also qualifies as written notification of your share of the Sec. 199A(g) passthrough from the cooperative to you. This deduction will be reported in Box 6 of your 2021 Form 1099PATR which will be issued in January 2022.

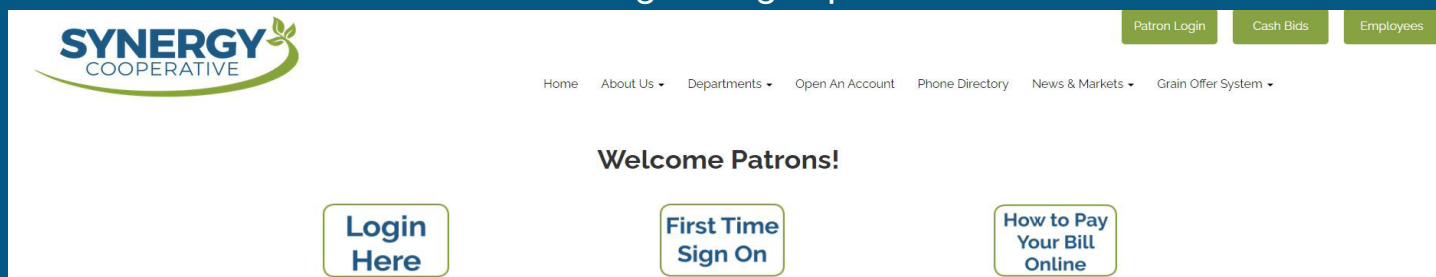
The notification letter serves as an important tax notice. Please be sure to include the letter along with your other relevant year-end tax information and bring it to your tax preparer to advise you on this matter.

LP contracts are scheduled to be mailed shortly after the 4th of July, so if you have not received one by the end of July, then please call one of the offices. Your gallon usage for the prior year is provided on the contract to help you decide how much you need to contract. This year the usage is based on the period 6/1/20 through 5/31/21. **Please read the contract and all of the enclosed documentation as this includes important safety information.** Call us if you have any questions on these contracts or any of the options, and also if you need assistance calculating your budget. Please remember to send your **payment** with a prebuy, deposit, or budget contract otherwise we will not be able to process your contract.

Thank you for your loyalty and continued relationship with Synergy Cooperative.

Pay your bill online!

Go to www.synergycoop.com
Click Patron Login on the top
Login or Sign Up!



The screenshot shows the Synergy Cooperative website. At the top, there is a navigation bar with links: Home, About Us, Departments, Open An Account, Phone Directory, News & Markets, and Grain Offer System. Below this, there is a section titled "Welcome Patrons!" with three buttons: "Login Here", "First Time Sign On", and "How to Pay Your Bill Online". The "Patron Login" button is highlighted in the top navigation bar.



ALMENA

106 Prospect Ave W
PO Box 118
Almena, WI 54805
715-357-3650

ELK MOUND

N6055 State Road 40
PO Box 70
Elk Mound, WI 54739
715-879-5454

RIDGELAND

229 Railroad St
PO Box 155
Ridgeland, WI 54763
715-949-1165

MAILING ADDRESS

PO Box 155
Ridgeland, WI 54763

PHONE

1-800-559-1717

WEBSITE

www.synergycoop.com