



CON•FI•DENCE:

NOUN. A TRUSTING

RELATIONSHIP; THE BELIEF

THAT ONE WILL ACT IN A

RIGHT, PROPER OR EFFECTIVE

MANNER.

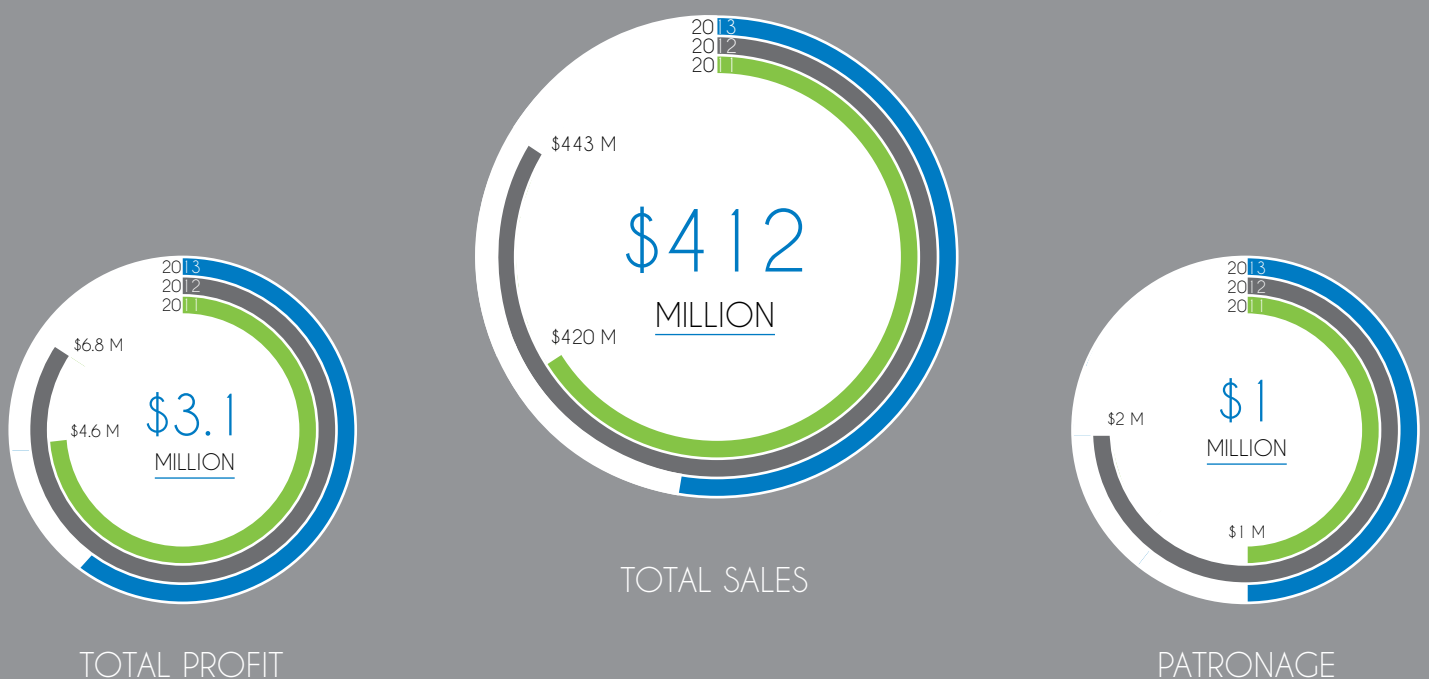
ALSO SEE;

VIAFIELD

VIAFIELD: THE DEFINITION OF A PROGRESSIVE, CUSTOMER- FOCUSED AG COOPERATIVE.

WE PROMISE TO PROVIDE **INNOVATIVE PRODUCTS AND
DEPENDABLE SERVICE** TO HELP OUR CUSTOMERS EXCEED
THEIR POTENTIAL.

2013 SNAPSHOT



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EX·PE·RI·ENCE:

NOUN.

KNOWLEDGE OR PRACTICAL
WISDOM GAINED FROM
WHAT ONE HAS OBSERVED,
ENCOUNTERED, OR
UNDERGONE.

ALSO SEE;
THE VIAFIELD LEADERSHIP
TEAM



RICK MATT

BRAD BROWNELL

STEVE FULLERTON

MIKE STAUDT

JIM JORGENSEN

RICK REX

VIAFIELD'S LEADERSHIP TEAM AND
BOARD OF DIRECTORS IS RESPONSIBLE
FOR STEWARDSHIP OF THE COMPANY;
SUPERVISING THE MANAGEMENT
OF BUSINESS AND AFFAIRS OF THE
ORGANIZATION; AND PROVIDING
LEADERSHIP TO THE COMPANY BY
PRACTICING RESPONSIBLE, SUSTAINABLE
AND ETHICAL DECISION MAKING.



RODNEY SHAFFER

JIM TRAINER

JERRY JELLINGS

KARL BENJEGERDES

DENNIS MEYER

RON BALEK

SENIOR LEADERSHIP TEAM

KENT APPLER
CEO



STEVE BODENSTEINER
CFO



MIKE HARDEN
ACRONYMY TEAM LEADER



MIKE KUBOUSHEK
ENERGY TEAM LEADER



BILL HAYES
FEED TEAM LEADER



BRAD FOSTER
GRAIN TEAM LEADER



MARK WILBUR
SALES TEAM LEADER



KEVIN DAVIS
SAFETY TEAM LEADER



RICK DAVIS
OPERATIONS TEAM LEADER

DI•VER•SI•TY:

NOUN.



THE STATE OR QUALITY
OF BEING DIFFERENT
FROM THOSE AROUND
YOU, VARIED.

ALSO SEE;
THE CEO'S MESSAGE

MESSAGE FROM THE CEO

When I was growing up on the farm in Southern Iowa, we always had dairy cows, pigs, and steers while raising corn, soybeans and alfalfa. We were a typical family farm. My dad always told me that there will be years when one part of our family farm would lose money. Hopefully at the same time the other parts of the farm would make enough to keep us in business or simply put... "don't put all of your eggs in one basket." This was my first introduction to diversity of business.

As Viafield continues to grow, we have maintained diversity in the cooperatives business to serve all parts of our customers/owners business. While others specialize in only petroleum or just grain and agronomy, your board of directors chose to serve all facets of your farming operation; agronomy, grain, energy, feed, crop insurance, farm merchandise, trucking, financing, etc.

Another area of diversity is the footprint size that your cooperative services today. By being in 18 communities, your cooperative has reduced the potential risk of adverse weather. A perfect example was last year when we were in a drought weather pattern. The western side of our territory was in an area that was hardest hit and caused yields to be 50% of normal at best, while the eastern side was blessed with two timely rains allowing crop yields to remain at normal or above.

As most producers know, if you haven't diversified it's only a matter of time before the weather, markets, or some other circumstance can negatively impact your operation. At Viafield, we plan for future risks and manage the business with that in mind, so we can be here in the long run to serve our customer/owners.

This year, as you will see in the annual report, your cooperative, even with the weather issues last year, still made over \$3 million. In addition, we were able to pay off our operational line to \$0 and decrease our long term debt by \$6.5 million. This may not have been our best year, but I believe that this year reflects our use of risk management, diversification, and our promise to continue to serve all of our customers' needs to the best of our abilities.

Thank you for another good year.

KENT APPLER
CEO



18 Locations

To serve all your agronomy, feed, grain and energy needs.



MYRTLE, MN
LOCATION



CENTRAL OFFICE
CHARLES CITY, IA



FERTILIZER PLANT
MARBLE ROCK, IA



OELWEIN, IA
LOCATION

OP•POR•TU•NI•TY:

NOUN.

PLURAL; -TIES.

A GOOD POSITION,
CHANCE, OR PROSPECT,
AS FOR ADVANCEMENT
OR SUCCESS

ALSO SEE;
VIAFIELD COMMUNITY
INVOLVEMENT

OVER

\$34,000

DONATED

IN 2013

SIX

\$1,000

SCHOLARSHIPS

AWARDED



DONATED TO

15

LOCAL SCHOOL

BOOSTER CLUBS

DONATED OVER

\$5,000

TO FFA & 4-H

GROUPS

PER·SE·VER·ANCE:
NOUN.

STEADY PERSISTANCE IN A
COURSE OF ACTION,
A PURPOSE, A STATE, ETC.,
ESPECIALLY IN SPITE OF
DIFFICULTIES OR
OBSTACLES.

ALSO SEE;
VIAFIELD AGRONOMY

OVER

380,000

ACRES OF NUTRIENTS

APPLIED IN 2013

OVER

59,000

TONS OF NUTRIENTS

APPLIED IN 2013



OVER

30,000

PREVENTATIVE ACRES

SEEDED IN 2013

HELPED EDUCATE

8

AGRONOMY INTERNS

IN 2013

FLEX·I·BIL·I·TY: NOUN.

CHARACTERIZED BY
A READY CAPABILITY TO
ADAPT TO NEW,
DIFFERENT, OR CHANGING
REQUIREMENTS

ALSO SEE;
VIAFIELD ENERGY

OVER

\$10.9 M

GALLONS SOLD

IN 2013

OVER

\$6.7 M

GALLONS DELIVERED

IN 2013



OVER

\$3.4 M

GAL. OF PROPANE

SOLD IN 2013

OVER

2000

TANKS SERVICED

BY AFD IN 2013

QUAL·I·TY:

NOUN.

CHARACTER WITH
RESPECT TO FINENESS;
A GRADING OF
EXCELLENCE.

ALSO SEE;
VIAFIELD FEED

SOLD

199,692

TONS

IN 2013

MFG.

179,195

TONS

IN 2013



SAW A

8%

INCREASE IN SALES

IN 2013

INVESTED IN

3

NEW DELIVERY

VEHICLES

FOCUS: NOUN.

A CENTRAL POINT,
AS OF ATTRACTION,
ATTENTION, OR ACTIVITY

ALSO SEE;
VIAFIELD GRAIN

OVER

\$33 M

BUSHELS SOLD

IN 2013

OVER

30 M

BUSHELS

OF STORAGE



\$1.46 M

STORAGE INCOME

IN 2013

\$880,000

DRYING INCOME

IN 2013

PRO•GRES•SIVE: ADJECTIVE.

FAVORING OR ADVOCATING
CHANGE OR IMPROVEMENT;
AS OPPOSED TO
MAINTAINING THINGS
AS THEY ARE.

ALSO SEE;
VIAFIELD STATEMENT OF
SAVINGS

STATEMENT OF SAVINGS

Statement of Savings

| | <u>2013</u> | <u>2012</u> |
|---|--------------------|--------------------|
| <u>Sales</u> | \$412,837,468 | \$442,952,922 |
| <u>Cost of Goods Sold</u> | 400,064,503 | 424,519,894 |
| <u>Gross Savings on Sales</u> | 12,772,965 | 18,433,028 |
| <u>Other Revenue</u> | 17,615,499 | 15,832,483 |
| <u>Total Gross Revenue</u> | 29,651,515 | 34,265,511 |
| <u>Operating Expenses, Including Interest</u> | 27,248,277 | 27,416,833 |
| <u>Savings before Income Taxes</u> | 3,176,949 | 6,848,678 |
| <u>Income Taxes</u> | | |
| <u>Current</u> | 284,495 | 443,681 |
| <u>Deferred</u> | (228,107) | 99,170 |
| <u>Net Savings</u> | \$3,120,561 | \$6,305,827 |

Distribution of Net Savings

| | | |
|---------------------------------|--------------------|--------------------|
| <u>Patronage Dividends</u> | | |
| <u>Cash</u> | \$0 | \$523,028 |
| <u>Deferred - Current</u> | 0 | 523,028 |
| <u>Deferred - Non-Qualified</u> | 1,000,000 | 1,000,000 |
| <u>Retained Savings</u> | 2,120,561 | 4,259,771 |
| <u>Net Savings</u> | \$3,120,561 | \$6,305,827 |

Patronage Allocation

| | | |
|-----------------------------------|-----------|----------------|
| <u>Savings Retained</u> | 2,120,651 | 4,259,771 |
| <u>Cash Portion of Allocation</u> | 0 | 523,028 |
| <u>Deferred - Qualified</u> | 0 | 523,028 |
| <u>Deferred - Non-Qualified</u> | 1,000,000 | 1,000,000 |
| <u>Patronage Rates</u> | | |
| <u>Grain</u> | | 1.52 Cents/Bu |
| <u>Merchandise & Services</u> | | 7.68% |
| <u>Agronomy</u> | 2% | 1.71% |
| <u>Petroleum</u> | | 4.50 Cents/Gal |
| <u>Feed</u> | 1.4% | 1.34% |

\$412 M

TOTAL SALES

IN 2013

\$3.1 M

TOTAL PROFIT

IN 2013



\$1 M

PATRONAGE

ALLOCATION

170

TEAM MEMBERS

IN 2013

STA•BIL•TY:

NOUN.

IN A GOOD STATE OR
CONDITION THAT IS NOT
EASILY CHANGED OR LIKELY
TO CHANGE.

ALSO SEE;
VIAFIELD BALANCE SHEET

BALANCE SHEET

Assets

| Current Assets | 2013 | 2012 |
|--|----------------------|----------------------|
| Cash | \$740,173 | \$357,968 |
| Receivables | | |
| Notes & Contracts | 7,986 | 12,460 |
| Trade-Net of Allowance for Doubtful Accts of 2013 & 2012 | 11,331,215 | 11,473,505 |
| Grain in Transit | 1,979,885 | 1,865,682 |
| Other | 409,864 | 498,670 |
| Margin Deposits | 368,823 | 19,895,016 |
| Inventories | | |
| Grain | 4,956,525 | 22,304,203 |
| Merchandise | 14,238,817 | 12,692,688 |
| Petroleum | 870,627 | 1,463,062 |
| Prepaid Commodities | 5,498,910 | 5,694,512 |
| Prepaid Expenses | 25,686 | 0 |
| Deferred Income Taxes | 144,644 | 154,356 |
| Total Current Assets | 40,573,155 | 77,151,132 |
| Working Capital | 14,270,066 | 22,167,442 |
| Available Term Revolver | 6,927,646 | 0 |
| Adjusted Working Capital | \$21,197,646 | \$22,167,442 |
| | | |
| Property, Plant & Equipment | | |
| Land | \$670,437 | \$670,438 |
| Buildings and Equipment | 54,484,942 | 51,422,529 |
| Total Land, Buildings and Equipment | 55,165,379 | 52,092,967 |
| Accumulated Depreciation | (27,222,444) | (23,960,972) |
| Undepreciated Cost | 27,942,935 | 28,131,995 |
| Construction in Process | 11,214,891 | 129,499 |
| Net Property, Plant and Equipment | 39,157,826 | 28,261,494 |
| | | |
| Other Assets | | |
| Long-Term Notes & Contracts | \$286,858 | \$339,591 |
| Total Other Assets | 286,858 | 339,591 |
| | | |
| Investments | | |
| Marketable Securities | \$1,831,188 | \$1,623,259 |
| Equity in Other Organizations | 19,152,151 | 18,384,119 |
| | | |
| Total Assets | \$101,001,178 | \$125,015,806 |



BALANCE SHEET

Liabilities & Member Equity

Current Liabilities

| | <u>2013</u> | <u>2012</u> |
|--|---------------------|---------------------|
| Checks Written in Excess of Bank Balance | \$1,361,891 | \$1,638,990 |
| Current Maturities of Long-Term Debt | 28,038 | 1,831,725 |
| Notes Payable-Operating | 0 | 27,491,566 |
| Demand Notes Payables | 2,119,684 | 1,913,013 |
| Trade | 5,124,870 | 4,854,432 |
| Customer Credit Balances and Prepaid Sales | 4,567,605 | 4,003,558 |
| Unpaid Grain | 10,607,505 | 10,135,318 |
| Other | 0 | 0 |
| Accrued Expenses | | |
| Interest | 131,322 | 187,439 |
| Payroll | 1,245,148 | 1,321,190 |
| Property Taxes | 1,065,762 | 1,001,971 |
| Income Taxes | 0 | 0 |
| Other | 51,264 | 76,681 |
| Patronage Dividends | 0 | 523,028 |
| <u>Total Current Liabilities</u> | \$26,303,089 | \$54,239,901 |

Long-Term Liabilities - Net of Current Maturities

| | | |
|---|---------------------|---------------------|
| Notes Payable | \$16,160,482 | \$14,252,541 |
| Accrued Pension Costs | 2,829,746 | 2,085,901 |
| Deferred Income Taxes | 1,633,084 | 1,790,101 |
| Member's Equity | | |
| Capital Stock | | |
| Class A | 344,200 | 336,800 |
| Class B | 166,400 | 165,800 |
| Subscriptions | 49,059 | 50,644 |
| Local Preferred | 6,881,972 | 6,280,682 |
| Regional Preferred | 8,836,030 | 8,919,952 |
| Allocated Patronage Dividends | 0 | 1,523,028 |
| Non-Qualified Deferred Equity | 1,657,716 | 651,395 |
| Paid In Capital | 192,703 | 192,703 |
| Accumulated Other Comprehensive Income (Loss) | (7,136,377) | (5,656,724) |
| Equity from Acquisition | 18,254,816 | 18,254,816 |
| Retained Earnings | 25,028,258 | 21,928,266 |
| <u>Total Member's Equity</u> | \$54,074,777 | \$52,647,362 |

| | | |
|--|----------------------|----------------------|
| <u>Total Liabilities and Member's Equity</u> | \$101,001,178 | \$125,015,806 |
|--|----------------------|----------------------|



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