

RIVER COUNTRY COOPERATIVE



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FALL 2016 EDITION

Creating a Culture of Innovation

By JOHN DUCHSCHERER, GENERAL MANAGER/CEO

River Country prioritizes investments based on the value we believe they will bring to our owners. Our mission is to be the leading provider of people, products and services in our trade area. We have invested—and will continue to invest—in the development of innovative products and services, infrastructure and highly qualified individuals in order to accomplish that mission.



As every business person knows, however, investment alone does not guarantee success. As I noted in the last newsletter, the human element is the ultimate difference maker. Investments provide the tools, but customer solutions come through people. That is why we're focusing so much energy on creating a culture that is both accountable and innovative.

Our management team has developed a business plan with clear goals, strategies and expectations for each of our business units—energy, agronomy, grain and feed, c-stores, safety and administration. That plan provides direction and, at the same time, accountability. It is the road map that keeps us moving in the same direction as a team.

The highest priority in that plan is to become a company that consistently identifies the problems that keep our customers up at night, then determines how to solve those problems. That's what a culture of innovation looks like.

We understand that we

serve a diverse group of farmers and business owners, as well as a large and growing group of customers that doesn't fit into either of those categories. In this issue, you'll read about some of the innovative ways in which we've already responded to your needs. You also need to know that we will continue to broaden our range of products and services in order to create solutions specifically tailored to fit each situation.

Whether you utilize our agronomy services in Randolph, purchase feed in Miesville or patronize our SuperAmerica® store in Apple Valley, we want you to experience the same high level of service and individual attention.

The process is well underway, but it takes time to build a culture. We know there will be areas in which we can improve, and we want to hear about them—just as we would like to hear from you when we've exceeded your expectations. Please know that we're serious about being your first choice when you're looking for the best people, products and services. ★

Investment in the latest equipment is only one part of our roadmap for change.



Engineered to Perform

Modern diesel engines require more from diesel fuel than just a premium label. Because they utilize common-rail direct-injection technology for greater efficiency, these engines require a premium diesel engineered to perform under high-temperature and pressure conditions. That's why we created RCC Gold High Performance Diesel Fuel specifically for today's diesel engines.

Anyone can call their fuel premium. But the truth will be revealed when that fuel is asked to perform under demanding conditions. A fuel not designed for modern engines can lead to coking, fouled injector tips and engine damage.

To address those concerns, RCC Gold is comprised of quality #2 base diesel fuel enhanced with a top-tier, multifunctional additive package formulated to keep diesel engines clean and running at peak performance levels. This package features cetane improvers, detergents and dispersants, lubrication boosters, a corrosion inhibitor and demulsifiers. Our goal was to create the best possible diesel fuel additive package for our commercial and ag member/owners, and we believe we have succeeded.

The benefits of RCC Gold are many, including:

- Reduced downtime
- Improved fuel economy
- Increased power output
- Enhanced lubricity
- Reduced maintenance costs
- Extended injector and injector pump life

Customer feedback

RCC Gold is already at work in the field, and the success stories are starting to roll in. One of our customers is in the construction business, and was experiencing coking issues with three of their newer backhoes.

"They experienced issues with the backhoes and a bulldozer last fall and this spring," notes River Country energy account manager Mark Larsen. "Since they started using RCC Gold, those issues have been addressed."



The operators report that the equipment is running great and seems to have more power."

RCC Gold is sold exclusively by River Country Cooperative, and is available at all of our SuperAmerica pumps or in bulk. You'll also want to consider our line of RCC Gold Premium Heavy Duty Lubricants—made right here in the Twin Cities. Talk to one of our energy experts to determine which lubricants fit your fleet or farm needs. ★

Features	What It Does	Benefits to You
Cetane Improvers	<ul style="list-style-type: none"> • Improves combustion efficiency to provide more power • Improves cold-temperature startups • Reduce engine noises and knocking • Reduce harmful emissions • Reduce white smoke and warm-up times 	<ul style="list-style-type: none"> • Reduce fuel consumption to get the most value from every gallon of ULSD used • Promotes longer engine life and less maintenance • Improves power output keeping your business rolling more efficiently
Detergents & Dispersants	<ul style="list-style-type: none"> • Removes carbon deposits from injectors • Helps prevent rings from sticking • Designed for all diesel engines, including high pressure common rail designs • Keeps combustion chamber clean for more efficient combustion 	<ul style="list-style-type: none"> • Keeps injectors clean firing like they should saving you costly repairs • Improves power and torque increasing your equipment's operating efficiency and maximizing productivity • Improves fuel economy saving you money • Improves startability and engine operation reducing operator frustration
Lubrication Improvers	<ul style="list-style-type: none"> • Restores the lubricity to ULSD fuel • Provide 15-20% better protection of pumps and injectors from accelerated friction and wear 	<ul style="list-style-type: none"> • Promotes long life of pumps and injectors • Reduced maintenance costs and downtime
Corrosion Inhibitor	<ul style="list-style-type: none"> • Protects storage tanks and fuel systems from corrosion 	<ul style="list-style-type: none"> • Extends storage tank and fuel system component life • Decrease fuel pump and injector wear
Demulsifiers	<ul style="list-style-type: none"> • Helps separate water from the fuel for easy removal • Isolates the water so it doesn't make it to the engine 	<ul style="list-style-type: none"> • Easy removal of water from tank • Decrease wear on injectors



Fitting the Way You Farm

In farming, you can't have too many tools. You may not need a particular wrench that often, but when you need it, you really need it.

The same principle is true for the River Country Cooperative agronomy department. We have a large and growing toolbox of products, services and skilled staff from which to select in order to design the perfect program to fit each field you farm.

Those tools range from the basics of fertilizer, seed and crop protection products, to the highly specialized world of variable-rate prescriptions and drone technology. Within each of these larger areas, you'll find a wide variety of options and choices.

Why so much from which to choose? Two reasons: First, our industry is becoming more complex every day. A short list of choices simply won't allow you to achieve maximum productivity.

Second, we serve a highly varied population of producers—farming ground that ranges from the light, irrigated soils of the Hastings area, to the heavy, organic dryland acres found around Montgomery. That doesn't even factor in crop diversity and livestock operations. So one size definitely doesn't fit all.

The latest

So what are the latest innovations available from River Country agronomy? Our In-Season Nitrogen program is one highlight. Nitrogen management is becoming increasingly important with tight margins, the proven bottom-line benefit to yields and the growing emphasis on nutrient stewardship. The capabilities of our technology make nitrogen management ever more precise.

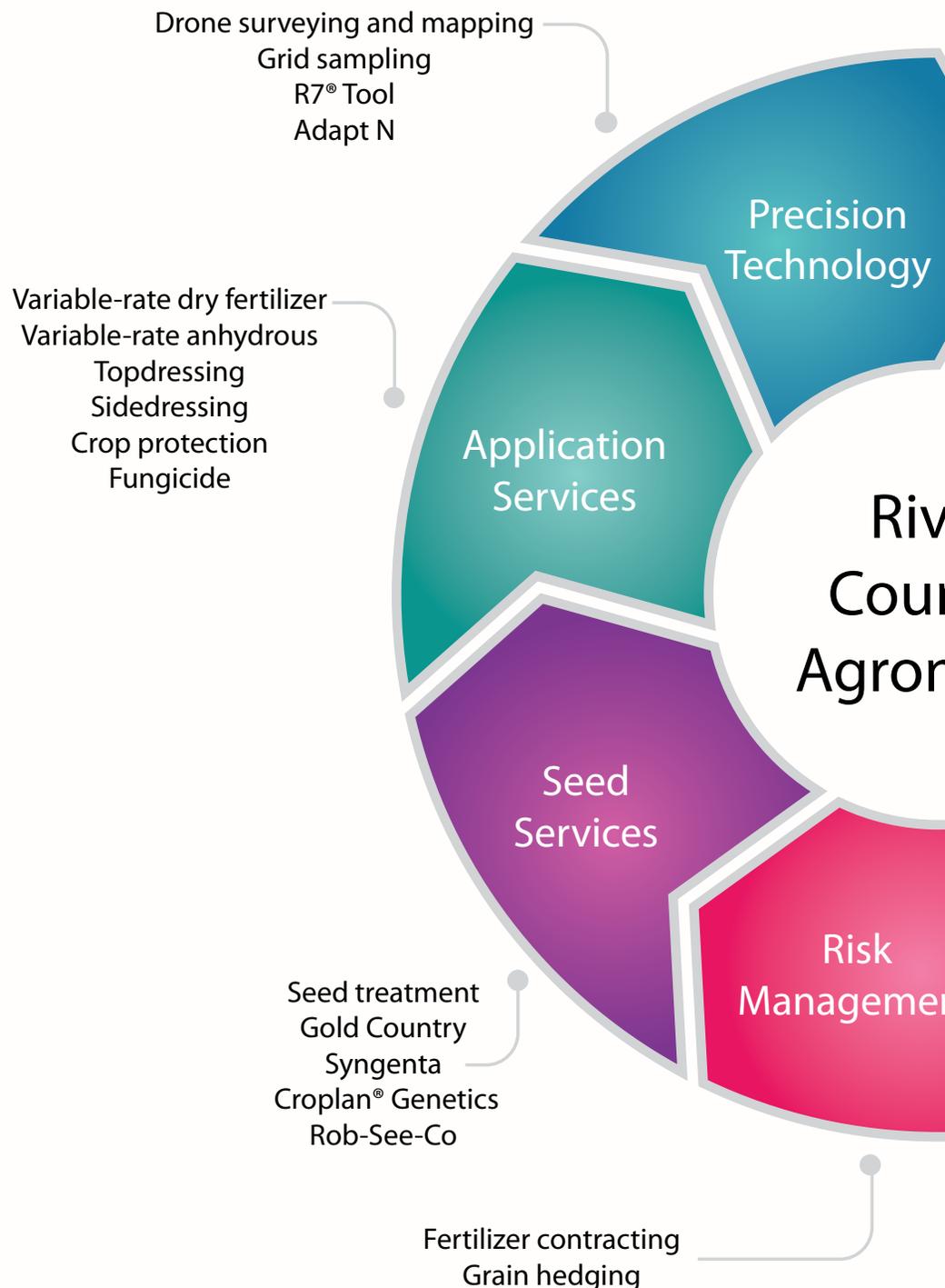
"If you're a producer with good yield data, we'll layer over soil types and grid sampling results—including pH and CEC—to create management zones," explains Hastings agronomist Andrew Duncomb. "If you're using variable-rate planting, that's another layer. Based on your yield goals and plant population, we can create a nitrogen plan for that zone. We monitor rainfall and irrigation to determine likely N levels in each zone throughout the season, then maintain optimum levels through split nitrogen application."

"Split application is really gaining ground on our lighter soils," adds Randolph

location manager Dean Larsen. "In-Season Nitrogen is the next step to fine-tune that process."

Duncomb adds that while more data is always better than less, the system can also show great results for farmers who have minimal data.

"We can do all of the work on our end, and gather enough information through grid sampling to put together a good N management program," he stresses. "This program works for operations of any size, at any level of technology use."



Seed science

The In-Season Nitrogen program also dovetails well with the River Country seed program, notes Larsen. "Combined with our seed program, which is able to identify hybrids that respond well to nitrogen, you have a system that can really advance your yields."

The seed connection applies to more than nitrogen, Larsen adds. "We're targeting hybrids that show a good response to preventive fungicide application," he says. "We have more data

all the time, and when you can show a 15-20-bushel response to fungicide, it's a pretty easy economic decision."

Drone technology is also making the rounds at all River Country agronomy locations this growing season. In particular, the drone's infrared mapping capabilities are being showcased on a limited number of farms this year. Our agronomists will have the results available to discuss with any farmers interested in utilizing the technology going forward.

"Drones are able to see what can't be spotted from the road, or sometimes even detected walking through a field," notes Duncomb. "Infrared images can show differences in plant growth and patterns that aren't obvious to someone on the ground. They enable you to see hidden issues and address them before they steal yields."

Duncomb adds that once potential problems are discovered, River Country agronomists will take a closer look to determine the root cause of any issue.

"From the flight information we can create a management zone and verify first-hand whether the cause is a nutrient deficiency, disease, pest or even a mechanical issue. We can then take steps to correct the problem."

Managing risk

In addition to the tools of technology, great seed and a full range of input selections, River Country continues to offer new programs that help manage costs in this tight margin environment. Our new fertilizer contracting opportunity is one example.

"Risk management is critical to success in our business, and the key is not always hitting the bottom of the market, but finding a price you can live with," says Montgomery location manager Lowell Tangen. "This year we offered the opportunity to advance contract fertilizer, so you can price a portion of your inputs at the same time you contract a portion of your grain. And we've also had some great opportunities to lock in relatively low diesel prices this past year—one more advantage of doing business with a full-service cooperative."

Lowell may describe River Country agronomy best when he says, "Whatever you're looking for, from the latest and greatest to the most basic, we have it and will make it work for you." ★



Unseen Innovation

There are few things more visually impressive than a brand new applicator rolling through a field of corn or soybeans. But the truth is that some of the innovations that make the biggest impact occur completely out of sight in the back office.

With so much of the business of farming run on computers, refinements to software systems make their way to the top of the useful innovation list.

"With software enabling online access to statements, invoices and other customer information constantly improving, we're looking at providing that capability to our customers," says River Country CFO Troy Stafford. "Ultimately, this could

increase convenience for our owners and cut down on paperwork for us. That boosts efficiency and cuts cost, benefitting everyone."

Troy also notes that the administrative and information technology teams are constantly working to harmonize and coordinate processes and systems between River Country locations. "This ensures that customers at any of our locations can expect the same experience whether they are in Inver Grove Heights or Randolph," Troy states.

"If there are questions or concerns, we want to hear them," Troy concludes. "We work to address issues as they come to us." ★

Enhancing the Customer Experience

At each of our SuperAmerica stores, we're focused first and foremost on one thing—providing a consistently excellent customer experience. This means, at the very least, that each visitor to our store receives a greeting, finds an excellent selection of popular, high-quality products and always hears a "thank you" as they leave.

To that end, our current and ongoing emphasis is on staff training and development. We want to ensure that all of our employees understand and are onboard with our goals, and that they are well equipped to deliver the River Country experience to their customers.

As we move into the final quarter of our first year with SuperAmerica, we will continue to upgrade facilities and improve the customer experience. Our ultimate goal is to be the flagship operator in the SuperAmerica system.

Finally, as we continue to celebrate summer, we'll fill your 20-lb. propane tank for just \$14.99 at any of our SuperAmerica stores. You'll know us by the River Country logo on our propane tanks. ★



Energy Contracting: Luck or Logic?

For farmers and business owners alike, energy costs comprise a significant segment of your input budget. As many River Country customers have already discovered, contracting is an excellent way to manage energy costs. Locking in a favorable price on a percentage of your anticipated needs helps with both budgeting and strategic planning. But what's the best approach to contracting?

You can, of course, handle the process yourself and hope to hit the market lows. That's difficult in our volatile energy markets. A better approach—work with someone who monitors the energy markets constantly and can lock in favorable prices when opportunities present themselves throughout the year.

"We're watching the markets every day," states Paul Ward,

River Country petroleum sales. "When we're able to work closely with customers, we know their needs, and we know the markets. We always have a contract available, and those contracts are updated constantly as the markets change. A year-round approach to energy contracting is definitely the best way to lock in consistently good value.

"We're also looking six to eight months into the future, watching for good values down the road," Paul adds. "We're always contracting energy for the cooperative, too, and we put those same strategies to work for the customers who consult with us."

Whether you're looking for a short-term, seasonal or annual contract, strongly consider making the River Country energy team your year-round energy consultants. ★

RIVER COUNTRY COOPERATIVE



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Feed That Works Harder

Could your dairy operation benefit from lower feed costs, increased milk production and improved rumen health for your cows? If the answer is yes, then you'll be as excited as we are by the new feed product now available from River Country Cooperative.

We are seeing excellent results feeding an extruded corn/soy product we are able to make in our Miesville mill. Experts

say that during the extrusion process, heat releases the starch granules that are firmly embedded in the outer shell of each kernel of corn. The resulting feed should deliver almost twice as much digestible starch to the cow's rumen compared to finely ground corn.

University trials have shown that starch digested in the rumen, not in the intestine, when matched with soluble protein can increase rumen pH, creating a healthier environment for fiber digestion. As an additional no-cost benefit, it enhances the natural production of microbial protein and energy in the rumen.

"We are running trials on four herds using the corn/soy product, and we have seen higher milk production and better reproduction," states Duane Fowler, River Country livestock consultant. "We use 6.5 lbs. of corn/soy per head per day, and are able to cut out some farm corn from the ration while reducing bypass protein by more than 50%."

Consider trying this feed product in your dairy. If you raise corn and/or soybeans, you can reduce your out-of-pocket cost by using our feed bank and paying only for the processing. Call our mill or stop in with any questions. ★

