

RIVER COUNTRY COOPERATIVE



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FALL 2018 EDITION

Equipped to Meet Every Challenge

By JOHN DUCHSCHERER, GENERAL MANAGER/CEO

Every year presents its own unique set of challenges. Over the past four years, River Country has been aggressive in our efforts to create a company prepared to meet any and all of those challenges while serving the needs of our owners.

You'll see the evidence of our initiatives in every River Country department, from upgraded pumps and car washes at our SuperAmerica® retail sites to the new fertilizer plant in Le Center—a state-of-the-art facility designed to meet the current and future needs of our owners, employees and the environment.

We continue to drive efficiencies on the bulk energy side of our business. What began with central dispatching several years ago has evolved into right-sizing tanks and tank monitoring. Right-sizing enables our owners to benefit from quantity pricing that fits their operation and, when combined with tank monitoring, helps us to plan and route our deliveries with greater efficiency. We continue to increase our propane capacity and upgrade our facilities to more effectively serve energy customers in our Wisconsin trade area.

Tight margins are the greatest current challenge for everyone in the business of agriculture, from

the farmer all the way up the retail chain. We're focusing our efforts on helping our owners extract the greatest benefit from all of their resources. For example, we are using a non-traditional approach to make the nutrients in corn more available to livestock, while our RCC Precision Complete program helps producers wring the greatest possible benefit out of every crop nutrient they apply.

In this newsletter, you'll read about all these efforts in greater detail from the perspective of our department personnel—the faces of River Country.

Going far above just getting the job done, they are the difference makers who make our "Service Beyond" initiative a reality. New facilities and equipment are just the tools they use to provide exceptional and responsive service to our owners.

With all the factors impacting agriculture today, it is difficult to predict what to expect in 2019 and beyond. What we can say is that River Country Cooperative will do everything possible to be ready to meet the challenges and seize the opportunities. ★



Work is well underway on the new agronomy facility in Le Center.



Crops Look Strong Despite Late Start

By DAVID BELONGIA, FEED/GRAIN DEPARTMENT MANAGER

Despite a slow start this spring, near record planting progress and good spring weather have resulted in crops that have developed ahead of average.

We are continuing our equipment upgrades at Hastings this summer with the addition of conveyor capacity to move corn to storage. This will help our conveying capacity more closely match the increased dumping and handling capacity installed in 2017. Our goal continues to be to make our Hastings facility a viable alternative for you when considering where to deliver your grain. Your comments and suggestions are always welcome.

A number of factors have combined to depress flat price marketing opportunities the second half of this summer. Large old crop stocks, prospects for a large crop this fall and global trade issues continue to depress prices despite good export demand and tightening global corn inventories.

If you still have old crop bushels to move or want to look at new crop marketing plans, give me a call at 651-437-3527. We



The improvements underway this summer in Hastings will help our conveying capacity more closely match the increased dumping, drying and handling capacity installed in 2017.

can look at alternatives to fit your situation. It's not too early to look at your storage needs for this fall.

I hope you are enjoying your summer. I look forward to working with all of you this upcoming harvest season. ★

Releasing More Nutrients

With margins tight, livestock producers can't afford not to squeeze every bit of nutrition out of the corn they feed. That's why River Country is proud to offer our unique extruded corn product.

"We produce extruded corn right in our Miesville feed mill," says feed and grain department manager David Belongia. "We utilize high pressure and heat to release more of the nutrients from the starch component of the corn. The result is a highly palatable, and very nutritious feed component."

Interested in trying extruded corn in your ration? Give David a call at 651-437-3527 or talk to your River Country feed representative. ★

Increased Precision

Drew Underdahl is the most recent addition to the River Country agronomy team and she's happy to be here.

"Agriculture and technology are two of my passions and I am very excited to be here at River Country Cooperative as the new precision ag specialist!" she says. "Working as a precision ag specialist for a cooperative in southeast Minnesota the past three years, I've gained the experience and knowledge to help growers narrow in on the specific precision ag offerings that can bring the most value to their operation. I'm looking forward to using my previous experience to help grow and manage the precision ag program here at River Country."

In her spare time, Drew enjoys CrossFit, playing volleyball, riding horses and golfing with her fiancé. ★



Performing When the Pressure Is On

When conditions go from a snowfall measured in feet to temperatures in the 90s in the span of four weeks, it's not your typical spring. Fortunately, the River Country agronomy department has been built to handle the exceptional.

"Actually, for us, this wasn't one of the worst springs we've seen," states Randolph location manager Dean Larsen. "We were fortunate that everyone got their crops in through most of the River Country trade territory, unlike the western part of the state. When the season broke, though, it broke fast. With anhydrous, everything got going at once from Rosemount to Goodhue. Anhydrous season lasted one week. The start of dry application, on the other hand, was spread out a little better."

The late start to the season meant a lot of work had to be done in a compressed time frame. In the Montgomery area, that meant coming up with some creative ways to cover all the acres.

"We got a late start but hit it hard," says Lowell Tangen, Montgomery location manager. "As soon as anhydrous was done, we put one applicator on spraying and everyone else was spreading and topdressing 28%. We had a new 4-wheel-drive applicator that really paid off on some of the wetter fields. We also rented another airflow machine and moved a topdress machine from one location to another to get everything covered.

"We have a tremendous investment in the latest rolling stock," Lowell continues. "Fortunately, the

coop is in a strong financial position that allows us to make that investment, because that's what you need in a spring like this."

Both Dean and Lowell also mentioned the new sprayer equipped with risers and a drop nozzle setup for in-season nitrogen application. "We moved that machine between our locations to get the maximum utilization out of that investment and cover the acres needing additional nitrogen," Lowell says.

Agronomic adjustments

The combination of unusual weather conditions and the ongoing downturn in commodity prices means that the agronomy team is constantly adjusting recommendations to meet changing conditions.

"Our pre herbicides

worked really well on soybeans this year, which is a good thing," Dean notes. "But that changed the timing of our post applications, which meant it got too late to use Engenia®, so we had to switch to Flexstar® GT."

As the time for fungicide season approached, discussions between agronomists and farmers focused on which acres would benefit from an application. "Everyone is watching every dollar," Dean says. "We're helping them target the hybrids that really respond to fungicide. With anything we talk about, we need to determine if it makes good sense and we can prove the return on investment. That's one reason we highly recommend grid sampling and precision application—because it pays."

Moving forward, producers



also need to be watching their fields for challenges they will need to address at harvest and in 2019.

"We're seeing some areas where rootworm and lodging issues have cropped up as producers have cut back on traits to save some money," notes Randolph sales agronomist Joe May. "We're also finding corn borer in the field, so assess how well your current seed and crop protection program is working." With the high moisture levels, the agronomists note that stalk rot could be an issue this fall.

A great asset

Both River Country agronomy team members and area producers will gain a significant tool this fall when work is projected to be completed on the new agronomy center in Le Center.

"We're supposed to get the keys to the plant on October 31," Lowell says. "The new plant is going to

make maintaining a steady supply of fertilizer in the busy seasons endlessly easier. With a little more than 6,000 tons of storage, a tower with twice the capacity, three times the mixing capability and full automation, we will be so much more efficient."

Lowell notes the timing of this project couldn't be better, as the full implementation of the required ELD logging systems for trucks could make logistics more challenging in 2019. "With basically three times our normal fertilizer inventory on hand, it's a great buffer against temporary transportation issues," he adds.

From new facilities and state-of-the-art equipment to strong logistics and dedicated personnel, River Country Cooperative is committed to meeting the challenges our owners face. The success achieved in getting the job done this spring is proof that the commitment is paying off. ★

Our new TerraGator® applicator—pictured here with a rented unit— along with equipment strategically shared within the cooperative enabled our team to handle the challenges of our compressed spring application season.



Finance Where You Buy

Convenience and competitive rates—two key advantages that are driving increased participation in the input financing program available from River Country Cooperative.

"We know that one of the challenges for our farmer owners has been the fact that input prices haven't always kept pace with the downward movement of commodity prices," says River Country CFO Eric Hanson. "For crop input purchases made from River Country, we are able to make supplemental working capital available at a very competitive rate."

Eric notes that participation by cooperative owners in the program's first year has been good. "The program was just announced in the fall of 2017, and we had more than 40 producers participating in this first year," he states. "We are finalizing the programs for 2019 and will be offering a very similar program to crop year 2018 with competitive interest rates."

While having another rate-competitive source for input financing available where they purchase those inputs is an obvious benefit for producers, the program is also a positive for the cooperative as a whole.

"By using outside funding sources we are able to support our accounts receivable thereby receiving funds quickly keeping our balance sheet liquidity levels strong," Eric explains. "The producers don't have to repay their crop input financing until their crop is harvested."

Talk to us

Along the same lines, Eric stresses the importance of good communication on the financial front. "It's no secret that margins are tight, and the current ag economy can put a strain on farmers," he states. "We want to work with you to meet this challenge. If there is an issue, keep the lines of communication open and let's figure out a way to make it work. When we can't connect is when things can go downhill."

That stress, Eric adds, is just one more reason to consider financing. "Our accounts receivable charges a much higher interest rate while our financing program has interest rates as low as 0% with extended terms," he notes. "That can make a significant difference in your cash flow."

To apply for financing or get more information, contact Eric at 651-842-2846 or erichanson@rivercountrycoop.net. You can also talk to your agronomy location manager. ★

Facility Move Solidifies Wisconsin Propane Presence

Local capacity. Those are the best two words to describe the key benefits River Country brings to our Wisconsin propane customers. With facilities in Ellsworth and Martell, and local delivery drivers who know the territory and their customers, we are a part of the communities we serve.

As to capacity, that's a strength when supplies tighten. "We have a quarter million gallons of propane storage within a 30-mile radius of Ellsworth," notes Lance Prouty, River Country energy manager. "Our new site in Ellsworth is the hub."

Following our recent facility relocation, 90,000 gallons of that storage can now be found on Highway 10 just outside of Ellsworth, with another 60,000 gallons in Martell. "We've invested in storage to ensure we can meet the challenge of propane supply," Lance concludes. "We make sure you can get propane when you need it." ★



Summer Interns

Randolph location manager Dean Larsen reports that Nick Bauer and Luke Johnston were a great addition to the team this summer. Both are ag business majors at South Dakota State University.





Come and See the Show

The light and color show in Apple Valley, that is. The River Country Cooperative SuperAmerica® there has a brand-new car wash, and it provides more than just a sparkling clean vehicle.

“Our goal is to be River Country’s #1 store for car wash volume,” states Apple Valley store manager Heather Keske. “The new wash is a big step toward making us a car wash destination.”

Everything in the car wash is new, from the equipment to the chemicals and the end product. “The wash is now completely self-service, with a card reader that accepts credit

cards, more wash levels and add-on features like tire shine and hot wax,” says River Country C-Store manager Olaf Johnson. “Carwash Technologies in Forest Lake did the custom design and installation, and did a fabulous job.”

Heather notes they still offer the SuperAmerica unlimited wash package on the new wash. If it’s time to shine up your car, make sure to stop in and enjoy the show. And, of course, come on in to the store for breakfast, lunch, supper or just some treats. ★

