

RIVER COUNTRY COOPERATIVE



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SPRING 2019 EDITION

Responding to a Tough Environment

By JOHN DUCHSCHERER, GENERAL MANAGER/CEO

As we navigate through the uncertainties of international trade, stagnant markets and the usual weather extremes, there may never have been a greater need for creative solutions in our business. Fortunately, bringing new ideas to our customers is nothing new to us. That has been our focus since I came to River Country in 2014.

While the land rests and producers assess the previous year, our staff is training and working through the winter to develop new approaches in agronomy, feed and energy that will improve your prospects for a successful 2019.

A new software platform for the agronomy department will help our staff provide more accurate recommendations and better bottom-line outcomes. We continue to offer

a full line of the latest crop protection products to address the ever-evolving challenge of herbicide-resistant weeds.

Our commitment to provide facilities that meet your demands for speed, capacity and product availability is evidenced by the new agronomy facility in Le Center. Fully operational this spring, this plant will provide bulk dry and liquid fertilizers and crop protection products. We're excited about the efficiency this will bring to our agronomy customers.

In this issue, you'll read about the dispatching routing software we have incorporated in the energy department to provide more responsive service. The investment made in this technology, as well as updated trucks, has positioned

us well to serve our energy customers through what has proven to be a long winter.

None of this, however, would deliver on its full potential without a corresponding investment in people. In this issue, you'll learn about the extensive banking background of our new credit manager, meet our new Hastings sales agronomist and hear from two individuals who are working to serve a wide range of customers while also expanding River Country's energy business.

As another year unfolds, rest assured that we are constantly searching for the best solutions for today's challenging environment. We'll continue to invest in the people, products and technology to give you the greatest opportunity to succeed. ★



Our new Le Center agronomy facility.

“This year is all about challenging ourselves to come up with new and better solutions to any issue we encounter.”

—DALE DOHRMANN



Solution-focused Agronomy for 2019

It feels like a long haul, this walk through the valley of the ag downturn. Like you, we feel the urgency of creating new ways to approach our work in order to create opportunities for success. This year requires new solutions, and River Country Cooperative is ready. We continue to challenge our staff to come up with new ways to help our customers bring more to their bottom line.

“We want to lead with service, while always bringing something new to the table,” states agronomy manager Dale Dohrmann. “Looking to this production year, we’ve brought in individuals with the specialized expertise to educate and advise customers. Two areas of focus, in particular, have been financing and precision agriculture, where we’ve brought on Aaron Boll as credit manager and Drew Underdahl as a precision ag specialist. You’ll hear

from both of them elsewhere in this newsletter.”

The experience and focus of River Country staff members are supported by programs that meet the changing needs of producers and technology that increases accuracy, accessibility and efficiency.

“New software for 2019 allows our customers to access and utilize their agronomic data more easily and effectively,” Dale notes. “Our ability to offer financing options year-round allows them to lock in inputs when prices are advantageous. We continue to offer fertilizer contracts that help our customers manage their risk by fixing input costs to help them market their grain with greater certainty.”

In addition to investments in talented people and the latest technology, River Country continues to add capacity to meet our producers’

need for speed during the peak spring and fall seasons. The latest example is the new Le Center agronomy center.

“With 6,000 tons of storage, three times the mixing capability, full automation and a tower that doubles our current capacity, this new facility will greatly increase our efficiency,” Dale states. “We’ll be able to be faster to the field and cover more acres this spring.

“This year is all about challenging ourselves to come up with new and better solutions to any issue we encounter,” Dale summarizes. “We have agronomic products and programs that have proven to be very profitable for our customers, and we’re always looking ahead for the next opportunity. We want our customers to challenge us to improve, and to tell us what they need. We exist solely to serve our members and help them succeed.” ★

New Merchants Plus Marketing Program

As we move toward spring, there are a number of factors affecting the grain markets and impacting prices. International trade disputes continue to make news on a daily basis. A trade agreement with China would be positive for grain prices, especially soybeans. Large soybean supplies and the South American harvest will keep a lid on price rallies, so don't let a quick rally due to a new agreement with China go by without some old crop sales.

There is little change to report in the corn market. Even though world supplies continue to tighten, adequate nearby supplies keep the market from showing much of a rally. Spring and summer futures over \$4.00 deserve your attention. Watch for planting reports and any spring planting delays which could help prices rally.

River Country Cooperative has some new programs available to help with your marketing plans for this summer, as well as the 2019 crop and beyond. We are offering the **MerchantsPlus** program in cooperation with **Intl FCStone®**, our futures broker. Merchants Plus is a pricing program that allows producers to take advantage of FCStone's team of experienced market professionals and share in the performance of their marketing strategies.

Here's how Merchants Plus works through River Country.



At the end of the pricing period selected, you will be assigned a futures price based on the performance of the program. You then have the opportunity to set the basis level at your preferred delivery location and you are not committed to a specific delivery point until you set a basis.

You can also take advantage of our averaging program, where the bushels you enroll will be priced on a daily basis to result in an average price for the period you select. These two new programs complement our current portfolio of flat price, basis and hedge-to-arrive contracts — all available for you to use to help market your crops. Before you get busy this spring, leave some offers for summer and for the 2019 crop so you don't miss those quick rallies when they occur. Let's work together to get those bins empty and ready for 2019 harvest.

Check out our website at rivercountry.coop for daily bids and periodic market updates, or call Dave Belongia at Miesville, 651-437-3527, to discuss your marketing plans. Hope you have a safe spring season and get the 2019 crop off to a good start. ★

Ready for Spring in Hastings

Hastings agronomist Jake Hansen is looking forward to his first spring with River Country Cooperative. "I love the chance to work in the ag industry and really enjoy being in the field," he states.

Jake grew up on a farm near Marshfield, Wisconsin, and earned a bachelor's degree in ag business with a crop science minor from the University of Wisconsin-River Falls. Prior to joining the River Country team in November 2018, he worked as a sales agronomist and custom spraying coordinator for another Minnesota cooperative.

"I like working for a progressive company," he notes. "It's also nice to be a little closer to home."

Jake is married to Jessica, a kindergarten teacher. In his free time, he enjoys ice fishing and deer hunting with both a bow and rifle. ★



Bringing Service, Technology Together

The current economic climate provides a unique opportunity for River Country Cooperative to strengthen our partnership with our producers. By providing service that anticipates their needs and technology that allows them to turn raw data into actionable information, we're striving to add value to their operation.

"One way we've made data more accessible and useful is through the use of our new agronomy software program, FieldAlytics," states precision ag specialist Drew Underdahl. "This program handles the functions of several previous programs we were using. It allows us to handle all data management, write seeding prescriptions and fertility recommendations, and dispatch our application equipment and tenders. All records are now in one place."

Of particular interest to growers is the fact that they can access their data and grower profile online through FieldAlytics for a minimal cost. "They can see everything going on in their operation that's linked to us, plus they have the capability to write their own planting prescriptions," Drew explains. "If they aren't sure how to write those prescriptions but want to move in that direction and learn, that's what I'm here for."

"FieldAlytics works with Climate Fieldview™, My John Deere and other programs. It allows us to stream data directly from their equipment in the field into the program," Drew continues. "No more bringing in a card or thumb drive. Plus, a Climate subscription is free this year, so the timing couldn't be better."

The RCC Precision Complete program will also be introduced for spring. The program offers producers three levels to choose from, depending on their specific needs. Services at the Red, or highest, level include grid sampling, tissue sampling, drone imagery, VRT nitrogen, VRT P and K removal recommendations, VRT planting prescriptions, monitor setup and end-of-season analysis. "In many



cases, the savings in seed costs alone gained by variable-rate planting is enough to pay for the entire precision program for that field," Drew notes.

Drew adds that River Country is now using a third-party vendor, Advanced Crop Management, to complete all grid sampling for our growers. "This is great for our growers, as they can count on their sampling to be done professionally and completed in a timely manner in those busy seasons of spring and fall," she states.

Recommendations tied to ROI

As growers prepare to take on the challenges of another growing season under tight economic conditions, the River Country agronomy sales staff has done the work necessary to help ensure the best outcomes in the field.

"Our growers rely on us to provide recommendations, products and applications that are the best fit for their farm — really treating their

operation as we would our own," states River Country sales manager Chris Carlson. "We need to make sure the solutions we're presenting are providing the grower with the best opportunity for ROI."

Chris notes that through continued growth by way of industry partners and making internal strategic investments, River Country is committed to providing resources that can make a difference.

"As a team, we're going to be out in the country having more conversations, asking more questions and doing more listening to ensure our recommendations provide solutions that fit financially and, most importantly, satisfy a need. 2019 will certainly have its challenges but it will also present an opportunity for us to focus on — and deliver — service beyond, as our success follows the success of our patrons." ★

The New Faces of Energy

"We want to make life easier for our customers by being the one point of contact for all of their energy needs."

That's River Country energy specialist Seth Boris describing the role he and fellow specialist Derek Falteisek play for their customers. Both Seth and Derek are natives of Apple Valley, Minnesota, and both earned marketing degrees — Seth at the University of North Dakota and Derek and Minnesota State-Mankato. Derek came to River Country in December 2017 and Seth in August 2018.

The position with River Country was Seth's first with a cooperative, while Derek enjoyed a very different experience as a sophomore in college. "I worked one summer for CHS at their soybean processing facility in Mankato," Derek relates. "I worked on a team of five people cleaning off the gum that accumulates on the walls and floor of 600,000 gallon storage tanks. There were three tanks, and it took a month to clean each one. That was my summer and my introduction to the cooperative system."

Both Derek and Seth serve the wide variety of River Country energy customers. "We serve home-heating customers with a propane tank, farmers, large trucking firms, small

landscaping companies with three employees, and big construction outfits," Seth says. "A big market this winter has been construction firms using propane to provide temporary heat for their crews."

Home heat has been a particular focus for Derek, who is spearheading the propane tank monitoring program for River Country.

"Our goal is to have 600 customers on monitors by the middle of the year," Derek explains. "Tank monitors are just one great solution we offer. It virtually assures that those customers will not run out of the fuel that heats their homes, provides hot water and cooks their meals. It's one less thing they have to worry about, and it helps us schedule our resources more efficiently."

No matter what the need, Seth stresses that the River Country energy specialists can find a solution. "We want to be that point of contact for our customers whenever they need anything related to energy," he states. "We provide updates so our farm and business customers know the market trends and can plan their energy contracting. They just need to make one call or shoot an email to us, and we'll take care of them—whether



Seth Boris



Derek Falteisek

the need is propane, refined fuel or lubricants.

"Our customers have a lot to think about," he summarizes. "Energy isn't the first thing on their mind, but it's our specialty. Don't hesitate to contact us if you have a question, need assistance or are looking for a reliable, responsive energy provider."

Contact Derek at 651-283-1385 or derekfalteisek@rivercountrycoop.net, or Seth at 612-388-4013 or sethboris@rivercountrycoop.net. ★

Better Routing Boosts Efficiency

A new software package was recently installed that will increase the efficiency of the River Country energy fleet while also saving time and steps for delivery drivers.

"This system is going to improve our routing and delivery efficiency," notes River Country energy manager Lance Prouty. "It features a route optimizer that will aid both our dispatcher and our drivers, particularly when we are serving a new account. All the orders

are mapped. Our customer service representatives can also check on the status of a delivery from their office, home or vehicle, so they can take care of the customer without sending them to another number."

Lance notes that installation and system training has gone extremely well and the system has been well-received by the drivers. The new software also has scanning technology to read barcodes and simplify the delivery process.

"For example, we have one driver who fills up a fleet of trucks each night. With the old system, he would have to fill a truck, walk back to his truck



and print a report, walk back to the next truck and repeat the process for three hours. Now he can go from truck to truck and get a complete printout by vehicle at the end of the process. That saves a lot of time and effort. Ultimately, our customers will benefit by having more timely delivery and easier access to information about their order." ★



Experience an Asset for New Credit Manager

Having worked with ag producers and businesses across the country, Aaron Boll has gained valuable knowledge that is now available to River Country customers. He is the new credit manager for River Country, stepping into the shoes of Walter Miller, who retired February 19th.

A native of Willmar, Minnesota, Aaron earned a business degree from Concordia College in Moorhead before beginning his career in finance.

"I started out working in community banks, and then spent ten years with CHS on the producer financing side working with customers across the country," Aaron says. "During my time with CHS, I worked with River Country Cooperative as a customer, so I knew this organization well when I joined the team at the beginning of February."

Aaron will oversee both the financing and accounts receivable aspects of the River Country credit program. He views credit as another valuable resource the cooperative can offer to its members.

"Input financing as a supplement to working capital can be a valuable tool for our producers," he states. "We want to provide financing options to our members to find what works for them. This is a program that has worked well here and continues to grow.

"Having worked with customers in the upper Midwest and across the nation through these challenging times, I've worked through a lot of different scenarios," Aaron adds. "That's experience I will use to assist River Country Cooperative customers. I'm looking forward to meeting and working with many of you."

Aaron and his wife, Andrea, a school teacher, live in Lakeville and have two elementary-aged children. "I'm usually at a hockey, soccer or baseball game when I'm not in the office," he relates. "If I can manage any free time apart from that, I like to enjoy the outdoors on the occasional hunting or fishing trip."

What we offer

With input financing top-of-mind as we head into spring, River Country CFO



Eric Hanson quickly reviewed a few of the benefits of input financing through the cooperative.

"It's a supplemental source of liquidity for our farmers in trying times," he notes. "There are programs offering discounted interest rates. And it allows you to take advantage of pre-pay discounts and defer payments on purchases made at River Country. Last but not least, it's convenient — you can finance right where you purchase your inputs — and we only require a short application."

Talk to Eric or Aaron if input financing through River Country sounds like a good option for you. ★