

# CONNECTIONS



## CHS Marshall

SEPTEMBER 2015

Balaton • Elkton • Lake Benton • Marshall • Pipestone • Ruthton • Tracy • Tyler

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Division of CHS Inc.



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## APPLAUDING OUR EMPLOYEES' CONNECTION TO THEIR COMMUNITIES

### MANAGER'S CONNECTIONS

By Kent Mulder, General Manager

I witnessed customers and their kids in action this summer at our surrounding county fairs and was extremely impressed. There for everyone to see were the fruits of their labors and their commitment to their way of life.

I'm very proud to have seen several CHS employees hard at work in many capacities during these local events and I am appreciative of their contributions. At our annual meeting I challenged our employees to reach out and connect with things that matter to our customers. I'm happy to see that happening on so many levels. I realize some of them have been involved for a very long time, as exemplified by their presence on local fair boards. CHS Marshall also contributes monetarily to these events. I promise you'll be seeing more of us using our free time to be part of your community.

In a different arena, we can see the outcome of leveraging our access to the CHS Foundation for the good of our customers and their families.

I toured the state-of-the-art Avera Cancer Institute in Marshall and was made well aware of the value our cooperative can bring to areas outside of agriculture.

During the final building phase of the Cancer Institute, we were able to secure a \$25,000 grant from the CHS Foundation. Our customers are among those whose family members now have cancer treatment options nearby, thanks to the Avera Institute. We are gratified to have played a major part in an effort that reduces the burden of travel for patients.

### We're ready for you this fall

It looks to us as if you're preparing to harvest a tremendous crop. In light of current prices, I'm sure you are excited about the potential yields. We feel good about the preparations we've made—a concerted effort to have people in



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### OUR BRAND PROMISE

*Personalized Service,  
Profitable Solutions.*



An improved road to harvest in Ruthton

# YOU CAN'T CHANGE WHAT YOU DON'T MEASURE

## LIVESTOCK CONNECTIONS

By Rod Benson, Feed Division Manager  
[rod.benson@chsinc.com](mailto:rod.benson@chsinc.com)



It's a fundamental truth known to corn farmers, marathon runners and motivated dieters: You can't change what you don't measure! That's why we devoted the last six months to rolling out an extensive recordkeeping program for our swine producer customers. Now you'll have the

best chance to measure everything important and learn from the data. Best of all, you'll be able to assess your operation with the very least amount of effort.

Thanks to the four growers in our test group, we had the option of walking before we ran. We expected glitches but in reality there were very few. Once a week producers report death loss to us. And that's it. That is all they have to do; we collect all the rest of the data that goes into evaluating each group of pigs.

Now that we're convinced we have all the bugs out, we're encouraging you to sign up for this virtually hands-free but powerful recordkeeping program. This will work for anybody. Tell me you're already maintaining good records and I'll challenge you. I'll say, "This is your chance to make decisions using the very best information."



I know I already told you it's hands-free, but that bears repeating. Here at the feed mill, we will enter the costs of your nutrition program. When you deliver to the packer, cuts and sort-loss will filter into your records automatically. By hardly lifting a finger, you'll be able to track every expense and find out how each factor influences your outcome.

Better still, your data will be measured against a big national pool—20 million animals on feed at any one time. I'd encourage you to compare your farm's performance against those operations on any factor. How do your genetics measure up? Do others get better results with different waterers? Are your pigs keeping pace with others in the same type of building? You'll reach into a data collection big enough to offer real proof.

Here's an example of something we've already seen, working with our beta testers. Those who use DDGS consistently have lower death loss than those producers who don't. The numbers reveal a gut-health issue we wouldn't have pinned down without these comparisons. That was my "Aha!" moment with this program.

Talk to us, request a demo and look at the data. You'll be convinced. **We're ready to connect you with the most powerful tool an independent swine producer can use.** ▶

## APPLAUDING OUR EMPLOYEES

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place and ready at each of our locations when combines start to roll.

There's another thing happening at all CHS Marshall locations as we look toward harvest. We're putting a strong emphasis on safety. We don't want employees or customers to be complacent at times when everything seems to be moving along smoothly. The times we tell ourselves we can take it easy are the moments when so much can go wrong.

I encourage you to make safety your priority as well. Pay attention at rail crossings and don't rush through intersections where tall corn obscures your view. The crop looks very good, but one gap in your concentration could be devastating.

Lastly, our co-op fiscal year ended Aug. 31. I can tell you our preliminary assessment is that we're headed in the right direction. ▶

# LOCATION SPOTLIGHT: ELKTON EVOLUTION

## HOW HAS ELKTON CHANGED IN FOUR YEARS?

Local board members and farmer-owners in Elkton anticipated change when they joined their cooperative to CHS Marshall four years ago. In fact, they welcomed it. In a changed and changing world of agriculture, they were seeking new approaches and new technology. Here is what has been accomplished so far.

“There’s the new grain dryer, for one thing,” says Aaron Coe, Elkton location manager. “We improved our ability to dry grain at 2,500 bushels per hour.” One other thing Aaron emphasizes when talking about grain operations, “We will be receiving both corn and soybeans at Elkton this year! Never doubt that we’re prepared for the coming harvest.

“We also added feed loadout bins and upgraded feed production abilities with our more precise hammer mill and roller mill for custom corn grinds. We’re introducing marketing tools that will allow Elkton feed customers to better manage risk and maximize profits based on the quality of corn this location can provide.”

Scott Connot, our nutrition consultant, is a new resource for timely advice to Elkton-area livestock producers. Here’s one of his recent thoughts, “With calf prices still high, extra pounds will add profit. I’m encouraging producers to get those creep feeders out now to offer a high nutrition supplement before weaning.”

In the past four years, looming concerns about propane supply lines throughout the region caused CHS to convert an anhydrous tank in Elkton to propane storage. “Improvements don’t always have to follow the most costly route. We took an underutilized asset and made it productive,” Aaron explains.

This image, captured from a drone this spring, shows the scope of Elkton operations four years in.

Agronomy operations in Elkton are benefiting from two new variable-rate Airflow machines that put Yield Point® within easy reach of Elkton producers. “That’s a big one,” Aaron stresses. “The advantages of precision-farming technology attracted more customers so that we now keep two field marketers busy. Last year Duane Axness joined Kirby Plane in a customer-contact role that allows them to help more customers and solve more agronomic problems.”

Recent CHS additions to human resources in Elkton please Aaron. “New Grain

Agronomy operations in Elkton are benefiting from additional VRT equipment and the ability to provide YieldPoint technology to area farmers.



“We’ll be receiving both corn and soybeans at Elkton this year! Never doubt that we’re prepared for the coming harvest.”

~ Aaron Coe

Procurement Specialist Scott Johnson will spend time working with Elkton customers.” (Read more about Scott’s background and approach to his job on page 6.) “Having him available to offer programs to our producers will extend my reach. Together we’ll reach out to local grain farmers to tell them about exciting new grain programs.”

Another new employee, Certified Energy Specialist Scott Beekman, arrived in Elkton this summer, ready to help producers make sound propane and fuel decisions as the market moves. “Scott is getting to

know our customers. He’ll be a great addition, I know that,” Aaron explains. As Scott begins working with more customers, propane driver Jeff Brunsting stands ready to respond with timely deliveries now that he has his own route for the western territory of CHS Marshall.

These improvements aren’t the last you’ll see in Elkton but illustrate the CHS commitment to farmer-owners there who voted for improvements four years ago. ▸



# THIS COULD BE THAT YEAR

## ENERGY CONNECTIONS

By Marla Verlinde, Energy Division Manager, [marla.verlinde@chsinc.com](mailto:marla.verlinde@chsinc.com)

When we're talking about diesel, my theme for this fall will be supply. Though the value of crude on the exchange went down in August, the price went up. Events at Midwest refineries drove the change at the pumps and jumps at the terminals.

I know every year I preach filling your tanks ahead of harvest, but this could be that year you'll get stung...when filling early will make a real financial difference.

By topping off your on-farm tanks before harvest, you'll help us get as much customer storage as possible filled at better prices. Then we can refill our storage, too, before there's a bigger price jump.

As far as propane prices, it's likely we're at the bottom of the market now. I can't recommend you hold out for a lower price. Fortunately, many customers created two-year propane contracts, so we feel good about that.

This summer we invested two essentials of solid energy service: trucks and personnel. Our new sales representative, Scott Beekman, comes on board to make sure we reach out to our entire service area. As our customer base grew, our team was spread too thin.



### Proud to be back in the ag world

Scott Beekman, our new Certified Energy Specialist, is enjoying his morning drive to Elkton. "It's a quiet time to get ready for my day," he says. The day he plans takes Scott back to his roots as a kid on a livestock farm. "I appreciate the chance to work with farmers, especially knowing my dad would have been proud to see me back in the ag world."

From the farm near Charles City, IA, Scott went to Southwest Minnesota State in Marshall, where he played football and met his wife, Ali. They settled in Marshall, where they still live. Ali works at U.S. Bank in Marshall.

Their three daughters are Amanda, who holds a master's in marketing and will get married in September, Dani, who'll complete her elementary education degree in the spring and Mackenzie, a sophomore at Southwest Minnesota State. All three girls are college athletes like their father.

After college Scott worked in the petroleum business for 15 years, then went on to sales and management in the Marshall area. This June he started applying that experience to a newly created position in the western territory of the CHS Marshall region. He's based in Elkton, calling on potential customers and solidifying relationships with current customers in the area.

Scott appreciates being part of a financially sound company that allows him to blend his history in agriculture with his career background in marketing. "In the 1980s I had the chance to go back to farming, but my dad wisely advised against it then. Now I'm finally spending time with farmers again, and I think it's a very good fit." ▸



# JUST IN TIME FOR A REWARDING OFFER

## FINANCIAL CONNECTIONS

By Anna Hieronimus, Credit Manager



I am back at work after a spinal fusion and taking some time to recuperate. I appreciate our customers for adapting to a slightly different system while I was away.

Happily, I'm on the job again just in time to announce our Autumn Rewards program and to work through the details of our 2016

loan program. We'll unveil complete loan program parameters soon, but I am excited to confirm that we will have another 0% seed loan program this year.

Named Autumn Rewards, the 0% seed loan can be used to cover seed as well as the purchase of other products at zero percent through Jan. 15, 2017. Those of you who took advantage of this offer last year know it's a great program.

There is no specific deadline for applying for Autumn Rewards, however; you will probably want to calculate your loan date based on the deadlines for purchase incentives offered by seed companies. Contact your CHS Marshall Field Marketer for the precise details of seed early-order bonuses and to learn which other products are covered by this zero-percent loan.

Our Convenience Credit loan, the one that can be used to pay for CHS products and services, will be at 4% this year. Convenience Credit loans will also mature Jan. 15, 2017.

We'll also have more comprehensive operating loans available again with rates starting at 5%. I'm always ready to talk about these tools for balancing your financial effectiveness. Now that I'm back in my office, you can call me any time at the Marshall office or on my cell at 507-766-3388. ▸

# WHAT'S THE MOST ESSENTIAL NUMBER?

## AGRONOMY CONNECTIONS

By Brian Meier, Agronomy Sales Manager, [brian.meier@chsinc.com](mailto:brian.meier@chsinc.com)

I bet you're already asking yourself a bunch of questions. "What things did I do right? What did I learn and what should I change for next year?" Ask yourself one other question. "What's the most essential number to the success of my farming operation?"

Here's my answer: Profit per acre. In a year when prices are low, nothing can be more essential. You may need to adjust how you look at specific practices to make acre-by-acre profit your objective.

Now that we've gained some hands-on experience with YieldPoint®, our CHS Marshall Field Marketers are applying what we've learned in customers' fields. Some acres can yield over 250 bushels, but some only have the potential for 100 bushels. That tells us a spreading map for each type of acre is important. For years we have been applying fertilizer for the field average. I think to be profitable in the future, we need to fertilize each acre for its actual yield potential.

We're discovering how seed choices also offer profit-per-acre differences. You'll profit by asking yourself which hybrids have flex or fixed ears, what plant health or population considerations are required for you to make a profit. We've been accustomed to asking these questions as they apply to the field average. Again I ask, "Why not make a planting map based on per-acre yield potential? Why not change

populations to match yield potential field by field?"

We now have the tools to help you do this. Let us download your yield monitor information, apply for the correct fertility and choose a hybrid matched to the potential of those specific acres.

Weed control has been a struggle this



year, especially waterhemp, a weed that seems to be more difficult to control each year. Our field marketers will tell you this is also about profit per acre. Depending on organic matter and pH, different fields respond to different herbicide rates. If you apply herbicides according to the field average, you aren't taking those factors into account. Today we have the ability to bring recommendations down to the acre and

change the rate—according to what that specific acre needs to ultimately improve profit.

Many of you have signed up for CSP (Conservation Soil Program) administered by the NRCS office. You can receive a payment for applying new soil conservation practices and wildlife practices to your acres. This can also help with the profit-per-acre picture. Our field marketers and our YieldPoint® Specialist Dan Sprengeler can help you track all the details and decide which practices make sense on your farm.

Profit per acre is also affected by the interest you pay on input purchase. CHS Marshall is again offering Autumn Rewards, a zero-percent interest finance program for seed and CHS-brand inputs. Combine zero percent with a CHS dividend on agronomy purchases, and you have significant dollar savings to boost profits. Our field marketers and Anna Hieronimus will be glad to help you with the details.

What's left at the end is really the point, isn't it? Let us help you match your 2016 crop plans to a goal of increased profit per acre. ▾



## CROP INSURANCE CHECKPOINTS FOR FALL 2015

Terry Christianson, our crop insurance specialist, reminds you of three important considerations as you roll into harvest.

### How revenue claims are figured

In August, futures were lower than back in February when spring prices were set at \$4.15 for corn and \$9.73 for soybeans. If you have a 175-bushel APH at an 80% coverage level, you are guaranteed 140 bushels or \$581 per acre (175 x 80% x \$4.15). If October's average futures price of \$3.77, any yield less than 154 bushels would result in a revenue loss.

Soybeans work the same way. A 46-bushel APH at 80% creates a 37-bushel guarantee covered at \$9.73 for a total \$360. At August prices anything under 40 bushels per acre triggers a claim. Benchmark prices are not set until October so if the market moves lower, your bushel guarantee gets even greater.

### Yield monitor data guidelines

Yield monitors tend to be the simplest way to break down production figures. If you plan to use your combine monitor to prove yields, a printed record must be available, too. Include farm name, crop and number of pounds or bushels. Make sure farm names on this document match the names you used when insuring the crop. If you didn't list names for specific farms on your crop insurance, include each section number on the monitor printout.

### Forage coverage deadline

Your last day to sign up for forage production coverage is Sept. 30. Your paperwork needs to be signed by that date. ▾





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Marshall, MN 56258

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SEE PAGE 4**



## EXPECT TO SEE SCOTT JOHNSON AT A KITCHEN TABLE NEAR YOU

Our new Grain Procurement Specialist spent the past 27 years amassing knowledge of the relationship between farmers and their crops. He's ready to apply his experience to your grain marketing challenges, and he's more than willing to bring the story straight to your farm.

Scott Johnson will headquarter in our Tracy grain location, but he expects to spend just as much time on the road. In fact, he points out having an office is a novelty since he's been accustomed to working from his home or car throughout his career.

Since he joined CHS Marshall in late July, Scott's had time to consider the possibilities of a big crop headed toward our elevators and brainstorming marketing strategies that will work best for our customers. Over the course of his career, Scott held several positions culminating in a job that, as he explains it, "...had me doing this very sort of person-to-person planning with farmers for several years.

"When they work with me, farmers will get the advantage of my years of experience. At first it's going to seem like a different approach, with me being out in the country. But I hope our customers will see the value of having me at their kitchen table helping them set up marketing plans."

It's important to note that Scott doesn't envision those plans as one-size-fits-all. "We'll be building goal-driven strategies tailored to each producer's income, financial obligations and income goals. My goal will be doing what is best for you."



Don't expect to find Scott Johnson at this desk very often. He'll be covering miles to bring grain services to your home office.

After a number of years with the same organization, Scott came to his new job with CHS Marshall ready to grow with new responsibilities. He'll be an important resource for our grain team in Elkton and Ruthton as he shares his experience.

The Marietta, MN, native grew up on the farm that is still in his family. He and wife, Anita, live in Springfield and they own a summer home in the Lake Shetek area. Anita works as an administrative secretary in the Sleepy Eye Public School system. Their three grown children are Hannah, a senior in high school, Mitchell, an engineer on the Stillwater Bridge project at the St. Croix River and Emily, a social worker in Seattle.

There's one other important thing to know about working with Scott. His email address doesn't precisely follow the standard CHS format of first and last name separated by a period. Because there is another CHS employee by the same name, you'll need to store *Scott.Johnson2@chsinc.com* in your contacts. ▶