

Primeland Perspective

CUSTOMER NEWSLETTER



Resilience: That's How We're Addressing This Year's Challenges

It's been a trying spring with about as much moisture as we've ever had. When prevented planting kicked in, the seed we stocked for spring did not go into fields. We're taking the time now to store it in cool and dry conditions so it will be viable for next year.

We have a similar plan for unused fertilizer. Quantities intended for crops that were never planted will be held over in storage. Crop protection products, though, are a different story. We're working with suppliers to return some and minimize the financial impact of an overstock. It's important we free up warehouse space for seed you'll need in the fall.

And, obviously, we must bridge the co-op's income shortfall this spring. When you're not able to plant, we're not

providing products and services. That limits cash-flow in our operations. We also realize we won't be handling grain from acres that were never planted. Like you, we'll adjust in other areas and work through logistical issues.

We will emerge leaner and more efficient, so we can continue to be your reliable agronomy supplier. True, our financial performance and patronage rates will be affected. Yet, I can assure you previous decisions made by your producer board put us in a good financial position.

As an organization, we're resilient. You can see that in your day-to-day conversations with our team and in the stories in this newsletter. This spring, we introduced a new fertilizer program tailored to our region and



*By Ken Blakeman
General Manager, CHS Primeland*

a new lubricant delivery plan that will protect you from industry price hikes. Our commitment to amped-up grain delivery speed shows in new construction at our Lewis Clark terminal.

At a time when some companies are pulling in their horns, we keep moving forward.

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Meet Our Assistant Grain Marketer

For Us, It's More About the Service

Retail Shares Common Ground with Grain, Agronomy and Energy

"It's integral," says Guy Bernier, retail division manager. "In communities like Craigmont and St. John, we run the few remaining retail businesses! If we weren't there, local customers would have to drive 30 or 40 miles for the basics. So, for us, it's as much about the service as the income."



Guy Bernier

If you don't find what you're after at one of our convenience stores, let us know. We can supply items from one of our other locations.

"You might notice a recent upgrade in all of our stores. The change to a new system for bar code scanning and credit card transactions is a sizable investment," Guy explains. "It's an investment that shows we're in business in these towns for the long run."

We're excited about retail growth in our Walla Walla tractor store. They're selling equipment throughout the CHS Primeland trade territory and we've been able to offer feed products to a wider range of customers. One of the benefits for feed customers is easy access to a team of nutritionists. Just request a consult and we'll send an expert your way.

Guy adds, "The tractor store team believes in going the extra mile, too, now that their territory has grown. On the Friday before Memorial Day they delivered a tractor to Potlatch, Idaho, then stayed into the night to help set up equipment the customer didn't even buy from us!"

Here's How We Keep Our Operations Flexible for You

One aspect of Harold Loomis's job as operations manager is to oversee equipment movement in our busy seasons. He says, "It used to be we had two operations managers. Consolidating those responsibilities put me in a better position to see the overall situation and figure the best ways to deploy people and machines."



Harold Loomis

"We aim for our rigs to be available wherever the jobs are, keep your crops sprayed and cultivated on your schedule. This spring, matching your timing was more challenging than usual, though."

Weather conditions tested the whole team this year as Harold moved vehicles while chasing our window of opportunity from Grangeville, Idaho, to St. John, Washington. "In St. John, we had to deliver four self-propelled sprayers, two no-till drills and one custom chisel-plow. We were moving units every few days to get spraying and fertilizer done in time," John says.

"Our process worked out really well when the prairie area—Craigmont and Nezperce—was wet. Agronomy rigs moved to Moscow and Cavendish and then back to the prairie. Keeping flexible for our customers is what this spring was about. We immediately moved on to start spraying crops, distributing resources throughout our service area."

Two Easy Choices We Encourage More Customers to Make

Controller Todd Largent wants you to register to access your account online. "There's information on our website concerning your commodity contracts, as well as your spraying and feed bills. Review your accounts any day or every day and you'll be able to make better expense projections. Once you request a password for the portal on our website, you'll also have the ability to make online payments."

Todd also suggests requesting email statements. "We try to get the statements in your hands as soon as possible. Timely recognition of your current expenses will help you cash-flow. Request email statements by emailing me."

Even if you choose to receive both paper and email statements, the two can serve different purposes. That email you'll see on your phone is a reminder; the paper statement allows you to dig through your transactions and manage your farm-accounting system.

The way Todd sees it, timely and accurate financial information gives a farm operation or a cooperative a better chance of staying focused and strong.



Todd Largent



Like CHS Primeland Country Stores on Facebook and catch our updates on community outreach events.

New Fertility Programs Grow From Port of Wilma Investment

Lance Hedler, agronomist in Moscow, explains the reasoning behind our new tailored fertilizer products. “With CHS Prime Nutrients exclusively designed for growers in the northwest, we’re filling a void. Previously, you were spending money you didn’t have because standard nutrient formulations aren’t calibrated for our soils.”



Lance Hedler

“Now that the Port of Wilma facility is operational, we have the ability to supply the nutrients our tissue tests stipulate for your farms, but not the ones you don’t need. Just this spring, we created our first tailored fertilizer products for customers. The launch went well.”

Once the fertilizer you apply matches the needs of your soil and your crops, Lance predicts the end result will be higher yields and reduced expenses!

Why We Continue to Reinvest in Grain Facilities

“In the past seven years, CHS Primeland significantly reinvested in our grain handling assets. I’d say we’ve been an industry leader in improving our facilities,” says grain division manager Russ Braun.



Russ Braun

In several locations, we increased receiving speed with new grain legs—we call that lifting capacity. And we constructed one new site where none existed before. We spent the money to install scales that integrate with our grain accounting software. We converted equipment to make it computer-controlled. All of those improvements make delivering grain to us faster.

“If you’ve been watching current construction at the Lewis Clark terminal, you know our commitment continues,” Russ notes. “We’re adding 1.2 million bushels of storage space to bring our total capacity there to 10,200,000. Collectively, we’re one of the largest on the Columbia-Snake river system.”

Despite delays, the river system opened to barges three weeks later than expected. We’re recovering from logistical heartburn, and are now catching up and cleaning out our warehouses in preparation for harvest.

Our Approach to a Price Hike? To Cushion You From the Impact

Lubricant manufacturers are applying a price increase. To minimize this additional cost, Jeff Hagemann reports the energy division has implemented a delivery schedule that optimizes our efficiency. (The previously established schedule for Walla Walla customers will not change.)



Jeff Hagemann

- We deliver lubricants in the Moscow, Colfax, Troy, Deary and Genesee areas the second Wednesday of every month.
- On the third Wednesday, you’ll see our lubricant truck around Grangeville, Cottonwood and Craigmont.
- Then, on the fourth Wednesday, we cover Kamiah area.
- If you do not want us to deliver on a keep-full basis, please call our office prior to your scheduled delivery day.

Jeff says, “To limit the impact of market forces on you, we make best use of our fleet and our purchasing power. Take DEF (diesel exhaust fluid). Our prices are lower this year because we buy full loads and store at our new fertilizer facility at Wilma.”

Talk to Me Sooner Rather Than Later

There’s an outcome of working with CHS Primeland you might not think about. Strong communication links among employees benefit customers. Credit division manager Derek Schneidmiller sees the value of that information linkage. “Our team is working with you and with me, operating as a safety net to assure we all have the best info to make smart decisions in everyone’s interest.



Derek Schneidmiller

“If you have an inkling of credit concerns in your operation, talk to me sooner rather than later. There is more we can do up front. Say you’re anticipating difficulty making a payment but expecting an influx of cash later. Let’s sit down and talk about your situation early enough to explore your alternatives.”

Currently, the credit division is putting together credit programs that will debut after harvest. “That’s how we hope to have an impact in helping you through tough times,” Schneidmiller says. “We want to work with you while protecting the interests of all of our co-op owners.”



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The Job That's Bringing Norm Ruhoff Home at Last

"CHS Primeland made a tremendous commitment to grain-handling infrastructure. I'm excited to provide a resource that complements those assets. Plus, I love working with producers!" That's Norm Ruhoff, our new assistant grain merchandiser, talking about the job that finally brings him home.

Norm grew up in the country elevator business in Cottonwood, Idaho. In his mother's family, there's a Century Farm on the Camus Prairie. His career has taken him from Portland, Oregon, to Omaha, Nebraska, to Colfax, Washington, back to his alma mater, the University of Idaho. He's been a broker, a market analyst with DTN, a grain merchandiser and a faculty member—all the while watching for his chance to return to the prairie.



Norm Ruhoff

Norm begins his new job with goals for producer resilience in challenging times. "It's more important than ever to build an individual marketing program, identify your cost of production and reward the market when it offers you an opportunity."

A lifelong woodworker and guitar player, Norm recently melded his two hobbies. Now he's building acoustic guitars. He looks forward to living in Cottonwood and involving himself in community life. He's the father of Dustin (married, father of grandson, Eli, and living in Portland) and Kelsie (soon-to-be married and living in Moscow).



Our Commitment to Our Local Communities Never Changes

Through community service and outreach working with the CHS Foundation, we secured a \$10,000 grant for a new Nezperce Fire Department building. We put money behind our endorsement of future ag leaders, awarding local high school seniors \$6,000—that's eight \$750 scholarships.



*By Jim Miller
Marketing Manager*

Local participation in the CHS Harvest for Hunger campaign netted \$20,000 for a statewide food bank and for local food pantries. Our employees hosted events and encouraged customer contributions to accumulate that impressive sum.

CHS Primeland also plans to again purchase 4-H® animals at county fairs. Last year, we spent \$60,000 at the local fairs encouraging youngsters' interest in livestock production.