

August 2015

# Primeland Perspective

CUSTOMER NEWSLETTER



## Construction Signifies Progress and Leads to More Progress

We're going big in Nezperce, Idaho. This spring Mike Kennedy, Camas Prairie Operations Manager, had a front-row seat to a show few elevator managers ever experience. He's been on hand for the ground-up construction of a new grain elevator at a brand new location. In the industry, it's what is known as a greenfield site.

For CHS Primeland, this 400,000-bushel facility represents an entirely new service area, and it signifies the CHS commitment to member-owners. Growers in the Nezperce area told us they want to deliver to CHS, so we're delivering a new 20,000-bushel-per-hour facility for them.

Mike says, "In the past four years, CHS made major capital investments throughout the area with major updates in Winona, Grangeville and now Nezperce. Ask me to talk about our progress and I see the whole picture—top-drawer facilities, an emphasis on attracting young local talent to work here and

extensive equipment investments. I believe customers can see value in our progress in every facet of our operation."

### It's not just the big, visible projects

Guy Bernier, Palouse Group Manager, is a witness to progress all the way from Lewiston, Idaho, to Spokane, Wash. "The Kendrick, Idaho, project is just one example. It's exciting to see the new 185-foot conveyor reach three grain storage tanks that had been inaccessible until recently. That increased our overall storage capacity immediately. Meanwhile, high-speed load-out augers going in at Troy and Worley, Idaho, will increase our efficiency.

"On the agronomy side, two new 20,000-gallon liquid

storage tanks and a newly completed NH<sub>3</sub> upgrade in Rockford, Wash., expand our ability to capture fertilizer supplies when prices are attractive. We also installed new overhead dry fertilizer storage capacity in Peone, Wash. Each of these projects confirm our promise to keep facilities up-to-date for customers today and into the future."



Guy Bernier



Mike Kennedy

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# The Friendly Face on the Other Side of Your Loan Transaction

By Dave Arthur, Regional Credit Manager for CHS Primeland



Using our customer finance programs couldn't be easier and Betty Meehan is the reason. Since she works with CHS Primeland customer accounts, as well as our credit programs, she can seamlessly pay for your recent purchases with a charge

to your loan account. There's nothing you have to do; Betty handles everything.

Our selection of loan programs keeps attracting more growers. Right now, 100 customers use one or more of our offerings to accomplish a variety of goals. We help them with full operating loans or specific loans to cover crop inputs, feed expenses, equipment financing or farm real-estate purchases.

Betty says her favorite outcome of working with our lending customers is her ability to ensure loan patrons get full benefit of early payment discounts. "When I see a charge to a customer's regular account—let's say for fertilizer—I can quickly charge that amount to the corresponding loan account. Then, the 5% discount for paying before the 19th of the month applies."

She's also willing to work with you to understand other

aspects of your CHS Primeland account. "I spend time with customers reconciling their statements," Betty explains. "And together, we review their earnings from our co-op dividend program based on their patronage of our grain, agronomy, or energy divisions. In fact, I'd encourage more customers to become member-owners so they can qualify for the patronage program."

Eleven years ago, when Betty came to work at CHS Primeland, we didn't offer loans. "It's been great to see the growth of financial services in the company. There are real advantages for the farmers. They get a good financing rate on working capital to help them get cash flow during the operating cycle."

*If you have financing needs, you can contact me at [david.arthur@chsinc.com](mailto:david.arthur@chsinc.com) or 208-743-8551 ext. 121.*



Betty Meehan

## Reaching Out to St. John Area Energy Customers

By Jeff Hagemann, Energy Division Manager

**In the past year, we've seen demand for Cenex® deliveries increase beyond our standard trade area that extends 18 miles around St. John. New customers from as far as 35 miles out are expanding our customer base. We've heard this drum beating for a couple of years, but we've been careful not to expand prematurely.**



Now we're ready to take the necessary steps to provide for new and potential

customers by adding an additional employee. Jeff Wood joins our staff as sales, service, and delivery driver for the St. John territory. Jeff is a local guy who comes to his new position from our CHS Primeland agronomy division, which tells you he knows the route

already. Along with Rick Harwood, he'll go the distance for current and new customers.

We also added to our fleet with a second 4,500-gallon fuel truck hitting the road at the end of July. Customer interest in Cenex products has skyrocketed in the past couple months, and I credit both our fine products and our energy patronage payouts.

I hear from growers who want their energy purchases to pay them back. In the past few years, CHS patronage

refunds on energy purchases have been outstanding. That's a real bonus in addition to the products and service we provide. Customers also accrue the financial advantages of our annual fuel contracts plus our lube-oil sales and service.

On top of all that, we provide timely energy-market updates that help growers make decisions. If you want to receive those messages via email contact me at [jeff.hagemann@chsinc.com](mailto:jeff.hagemann@chsinc.com) or phone 208-743-8551.

# Making Progress on the Home Front

By Jim Miller, Director of Sales and Marketing

Both as an organization and as individual employees, we're very concerned about the success of the local communities we call home. As we see it, our operations in our trade area require a partnership. By supporting the vitality of rural communities, we stand with our customers.



This spring CHS Primeland raised over \$44,000 for CHS Harvest for Hunger, which supports food pantries in local communities. In light of the work we all do to create food resources, we can't ignore those among us who are food insecure.

In our Harvest for Hunger campaign, growers played a huge role. Thanks to all

of you who donated a load of grain because, naturally, that was our biggest money generator. Students at the University of Idaho and at Washington State contributed, too. We encouraged a friendly rivalry between the two college of agriculture departments to collect for this cause. Knowing some of those students will eventually consider a career with CHS, we gave them an opportunity to see what matters to our employees.

Speaking of students, CHS Primeland awarded six \$750 scholarships to 2015 high school graduates with an interest in pursuing an ag education. It's possible one of those students will eventually apply for a summer internship or join our management trainee program. Currently, we have two agronomy interns and six agronomy trainees working for us. It's another way we invest in the future of our local operations and local communities.



This spring we raised over \$44,000 for CHS Harvest for Hunger.

# New Interest in Nitrogen Stabilization

By Lance Hedler, Agronomist, Moscow, and Mark Pederson, Sales Representative, Dow AgroSciences



Stabilizing nitrogen has long been a choice for corn producers. More recently, (last year, in fact) when the product Instinct® earned a label for wheat, interest in our region took off. I asked Mark Pederson from Dow AgroSciences to help me tell you more about the product and its value.

Mark says, "In a couple of test plots with Instinct, we're showing 50 to 100 lbs. more nitrogen retained even through our heavy

fall rains. That's a savings of \$35 to \$65. And right off the bat, we're keeping more nitrogen in the top one-to-two feet of soil."

In regional trials, Mark reports Instinct contributed to an eight-bushel yield increase.

Though we haven't used Instinct in any of our own test plots so far, we will apply it in plots this fall. From my personal experience using it with our growers, this product does exactly what we expect it to do. And the number of local growers using it gets larger every year. This is a dollars and sense issue that also has an environmental impact, which explains why there are government programs that will help you with the cost of a nitrogen stabilizer.

A nitrogen stabilizer could play a major role in making sure you get the most benefit from your dollars. It goes with fall fertilizer and can be added to any form of nitrogen.

Using Instinct is a tactic that will fit wheat fields throughout our CHS Primeland service area. Talk to your nearest agronomist for application rates and other pointers.

"Wheat test plots with Instinct® show 50 to 100 lbs. more nitrogen retained even in the face of heavy rainfall."



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## More Contract Options, That's How We Can Help

*By Russ Braun, Grain Division Manager*



In recent years, CHS Primeland advanced its marketing scope to include multiple pricing platforms. With commodity prices at four-to-five-year lows, these choices address your need to work smarter.

Our progressive marketing lineup includes cash grain contracts, of course, but also cash forward, futures fixed, and basis fixed. Then, there are CHS Cash Plus, Price Builder Bonus, and Daily Cash Plus contracts. You won't find a more diverse array of marketing tools anywhere in this region. Our contracts will allow you to be more a price maker than a price taker.

Looking ahead, I believe commodity prices will take direction from actual production around the world. Global predictions are for average-sized wheat and corn crops. But, when we take current inventories into account, average additions will keep prices on the defensive. Seek out rallies and be ready to act.

- **Price Builder Bonus Contract:** Market bushels at a floor price for each day of a contract period. The floor will be above the futures level when the contract is created. Producers get the ability to sell above current futures values and to contract any quantity of bushels—no minimum required.
- **Cash Plus Contract:** Provides a premium in the price of old crop grain in exchange for a firm offer on an equivalent number of new crop bushels at a specific strike price. No minimum bushels are required and producers choose expiration dates and know their new-crop commitment.
- **Daily Price Plus Contract:** Benefits producers who want a premium above today's price with the security of a guaranteed floor and are willing to sell additional production.