

September 2014

Primeland Perspective

CUSTOMER NEWSLETTER



Your Strategic Business Partner



By Ken Blakeman
General Manager, CHS Primeland

As your operation becomes more efficient to meet industry demands, know that each year, CHS Primeland invests in upgrades and new facilities to support your growth.

We know that in order to keep your business, we need to provide you with services, products and a support team that add value to your operation and don't slow you down. When CHS Primeland supports local producers,

you support us. In the end, those who do their business here take home the profits!

Dollars spent with CHS Primeland stay in your community. They aren't sent out of state or lining the pockets of foreign investors. Those dollars are paid to our employees and reinvested in you and your operation.

Each year, your Board of Directors and CHS Primeland Management Team evaluates the plan developed to strategically invest in new equipment, new facilities and, where there is aging infrastructure, facility upgrades. Each project is designed to support our current patrons and grow to serve new patrons throughout our coverage area.

Our two newest projects include a new grain elevator in Nezperce, Idaho, and a hub fertilizer and chemical plant at

Port of Wilma in Clarkston, Wash. Until now, we have only had an agronomy plant and Cardtrol in Nezperce. This will be a new, 400,000-bushel facility with a high-speed unloading capacity of 20,000 bushels/hour.

Although both of these projects await final permitting approval, we are optimistic they will both be ready to serve you in 2015.

Financial update

When CHS Primeland ended its fiscal year this August, we wrapped up one of our best years in history with a profit of \$6 million.

High profits support strong patronage, as well as the facility investments necessary to move forward to support agriculture producers and their communities into the future.

“We know that in order to keep your business, we need to provide you with services, products and a support team that add value to your operation and don't slow you down.”

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Fertilizer Market Update



By Ken Mingo,
Seed and
Agronomy
Division
Manager

Logistical issues on the Mississippi River are making a mess of fertilizer markets and supplies nationwide. There are implications that securing inventories for the 2014 fall fertilizer season

will be a challenge. To meet our farmers' fertilizer needs this fall, the CHS Primeland Agronomy Team is taking a proactive approach.

Working with three different sources, we are currently trying to fill inventories. To aid us in this process and ensure you have the product you need on hand when you need it, please let your local agronomy representative know what your fall fertilizer needs will be.

You may ask yourself, why would issues on the Mississippi impact those of us here in the Pacific Northwest? The simple answer is, the markets are connected.



CHS Primeland Now Offers Real Estate & Machinery Financing

By Dave Arthur, Credit Manager for CHS Primeland

You purchase your inputs here. You unload grain here. You receive marketing advice here. Why not secure credit and financing through CHS Primeland too?

CHS Primeland designed our loan programs to be robust and comprehensive. We want to help our growers focus their time and efforts on what they do best—raising crops and livestock—not trying to figure out how to cover costs before harvest.

We have enhanced our offerings by adding two new packages. We now offer five complete finance packages. Read on to learn more.

Full Operating Loans: Provides credit to growers to cover living expenses, land

rents, equipment payments as well as normal operating expenses. In addition, this package also covers crop input financing.

Crop Input Loans: This provides credit for all crop inputs purchased through CHS Primeland.

Feed Input Loans: This provides credit for all feed and livestock equipment needs as well as crop inputs purchased through CHS Primeland.

Real Estate Loans: If you have an operating, crop input or feed input loan with CHS Primeland, you may apply for a real estate loan. Real estate loans may be



used to purchase land, refinance existing land, restructure existing debt as well as construction with permanent financing.

Machinery & Equipment Financing: If you have an operating, crop input or feed input loan with CHS Primeland, you may apply for a machinery & equipment loan.

Please call me if you would like to learn more about our finance programs.

More Field Data With SatShot®

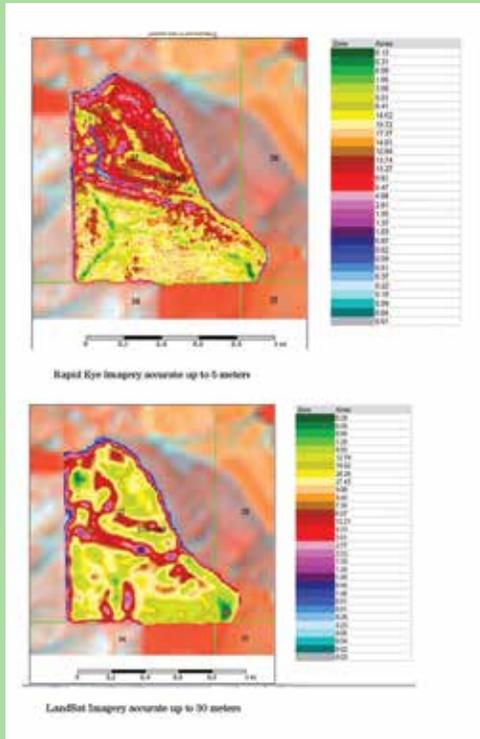
By Jeff Olson
Sales Agronomist Trainee



CHS Primeland now provides growers with yet one more tool to improve yields. SatShot® utilizes infrared technology to gather plant health data throughout the growing season.

Based on digital images, we can evaluate which areas of the fields are producing and which are low yielding. This information, coupled with yield data, enables growers to make more informed fertility timing and application decisions.

To learn more about how you can utilize this technology to improve yields and maximize inputs, contact your CHS Primeland agronomy representative.



SatShot utilizes infrared technology to gather plant health data throughout the growing season.

Market Update

By Russ Braun
Grain Division
Manager



Grain markets have been trending lower since early May, primarily due to the upcoming large U.S. corn crop and a seemingly large wheat crop in Europe and the former Soviet Union. Wheat markets are rangebound with lows at about \$6.85 and highs of about \$7.15.

With this in mind, I strongly urge growers to have a marketing plan in place. To provide them with some price protection, I also suggest they seize any rally opportunity to price 2014 crop and some 2015 crop. Remember, in markets like these, it's important to remain disciplined as well as flexible—ready to change with the trends if necessary.

If you need help in developing this marketing plan or have any questions, please contact your CHS Primeland Grain Merchandiser.

CHS Primeland Supports Safe Communities!

In 2013, CHS Primeland donated a piece of land valued at \$18,000 to the Craigmont community so they could build a new fire station. The new station was funded through a Chamber Block Grant that the Craigmont Fire Department applied for in partnership with the Winchester Rural Fire Department.

The grant included a satellite station for the Winchester Rural Fire Department. Throughout the construction process, CHS Primeland also donated labor as well as equipment.

This project is near and dear to Dick Randall, Location Manager for North Camas Prairie. Dick was born and raised in the Craigmont community and currently serves as Rural Fire District Commissioner for the Winchester Rural Fire Department. Along with the fire department, the Craigmont Fire Station also houses emergency medical services.

"It's important to our community that we can provide full protection to families in town as well as our rural families," Dick says.

Now that the new stations are complete, Dick says the insurance ratings for Craigmont and Winchester have improved dramatically. "This project shows the strong comradery between Primeland and the communities it serves."



CHS Primeland employee Dick Randall volunteers as the Rural Fire District Commissioner for the Winchester Rural Fire Department. He stands outside the new Craigmont Fire Station.



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Project Updates

Compiled by Mike Kennedy, Camas Prairie Group Manager, and Guy Bernier, Palouse Regional Manager

When it's go time, CHS Primeland recognizes that our farmers need our grain facilities to keep up.

In response to commodity prices and higher quality standards for cereal grains, farmers have taken steps to speed up harvest through technology, equipment and machinery upgrades. In turn, CHS Primeland has strategically updated facility infrastructure and invested in new facilities.

CHS Primeland works to employ the best people, and it is our top priority to keep this top-notch employee team safe. Along with increasing unloading time and storage capacity, these investments also improve facility safety for employees and customers.

Some recently completed projects include:

Grangeville upgrades:

The concrete bins of this elevator were constructed in the 1940s, 50s and 60s. Although sturdy, the infrastructure needed an upgrade to keep up. Over the last four years, the upgrades we made increased facility speed by 800%, from 6,000 bushels/hour to 28,000 bushels/hour!

Nezperce project:

Responding to farmers' request for an elevator, we are in the final permitting stages of building a new 400,000-bushel facility with a high-speed unloading capacity of 20,000 bushel/hour. If we receive approval in time, we plan to begin construction in October to have the facility operational by May 2015.

Joel upgrades:

We replaced the old crib elevator with a new tower and leg. A new 15,000-bushel/hour leg and 100-foot scale were installed to speed up unloading time to just minutes.

Worley upgrades:

A new 100-foot scale was installed, and we upgraded a flathouse to receive grain. These upgrades improved truck flow and sped up unloading times.

