

Primeland Perspective

CUSTOMER NEWSLETTER



Connecting people, opportunities

As employees grow and develop in their roles, new opportunities arise. People move into new positions or leave to pursue new options. Over the past month or so, we've seen some of this movement in our leadership team:

- **Jim Miller**, sales and marketing, took a position with the University of Idaho.
- **Guy Bernier**, retail, is now general manager at a firm in Lewiston.
- **Tom Herres**, manager at Rockford, has accepted the general manager position at a Colorado co-op.

These are all good, strong leaders. They helped us be successful, and CHS Primeland helped them gain knowledge and experience. While we hate to see

them go, we wish them the best in this new phase of their careers.

These departures have created an opportunity for us to look at our structure and how it could be revamped to better fit our business and changing needs of our members. We've now connected these employees with new roles within CHS Primeland:

- **Stacy Beckman**, Walla Walla Agronomy manager, now is our Agronomy sales manager. He's moving to the hub plant at Port of Wilma, which will strengthen ties between Agronomy purchasing and sales. With Ken Mingo, he'll look for ways we can optimize, customize and move forward.



By Ken Blakeman, general manager, CHS Primeland

- **Jeff Hagemann**, Energy division manager, adds Retail to his responsibilities. This is a good fit, since Energy and Retail operate so closely together.

With these changes, I feel we've connected those areas and individuals that fit together naturally. I'm looking forward to working with them and maximizing CHS Primeland's potential on behalf of our members.



Golf Scrambles connect customers, staff

This year's Golf Scrambles, one in Lewiston, the other in Walla Walla, connected about 240 CHS Primeland customers and staff for an afternoon on the links. It was just "fore" fun, but of course, there was some friendly competition and a lot of camaraderie.



Uncertainty, tariffs stir up markets

More than ever, the grain markets are global, connected and complex. Top of mind for everyone right now is the lack of current trade agreements, especially with China, and possible spillover from tariffs on corn and soybeans into wheat. While China imports very little wheat, until there's a trade agreement, the markets will remain challenging and volatile.

When one tweet can send the market down 10 cents and a weather report can bounce it up 20 cents, timing for selling grain is crucial. Managing risk also is key.

As other exporting countries watch the tariff tit-for-tat going on between the U.S. and China, they're raising prices on soybeans, as much as 75 cents per bushel. Why? Because now more than ever, it's a global marketplace. If China sources more soybeans from South America, it will exhaust their export capacity and may push China to source more U.S. corn.

We are seeing some upward price movement driven by weather and projected yields in Kansas and Texas. The USDA projects yields for hard winter wheat will be down significantly from 2017. Last year, Kansas produced 340 million bushels, this year it could be 200 million. There also are weather concerns in the former Soviet republics and Australia, where producers are planting their fall crop.

But carryover continues to weigh on prices. The USDA predicts a U.S. wheat crop of 2.2 billion bushels this year. And we still have 900 million bushels from the 2017 crop in the bins.

In the PNW, yield prospects look to be above average, due to good moisture. With less than 60 days before harvest, now is the time to take advantage of pricing some of your new crop.

My advice on the markets?

- Start pricing some of your new wheat crop now. Going forward, price movement, up or down, will be driven by potential wheat and corn yields in the northern hemisphere.
- Connect with our grain buyers, Jeff Sayre, Joel Wasen or me, to help you choose the most-beneficial pricing platform for marketing your grain. We offer cash or cash-forward, hedge-to-arrive and CHI Compass® (price-builder-bonus) contracts.
- Hang onto your hats!



*By Russ Braun, manager,
Grain division*

Connect the dots for a safe harvest

Nearly 2 million full-time farmers are working at some level of production agriculture. Each year, about 375 die in farm-related accidents; one-third are kids under 20. Now we're heading into one of the most hazardous seasons: harvest.



By Nick Broemeling, manager, Safety and Compliance

Everyone is driven by the need to get the crop in. Taking shortcuts, inattention, tiredness, moving too fast, unshielded equipment, not wearing seat belts and more all can lead to a life-changing – or life-ending – accident in the blink of an eye. Remember, harvest machinery is designed to eat stuff, and it doesn't distinguish between a foot, a hand or a grain stalk.



Connecting these dots can lead to a safer harvest season:

- **Prepare your machinery.** Make sure safety guards are in place, do a pre-season check on your vehicles including exhaust, breaks, tires and wheels.
- **Shut everything down before working on equipment.** Check that it's off, lock out energy sources and block it so it doesn't accidentally start or roll away.
- **Read labels on chemicals.** Wear gloves and appropriate personal protection equipment.
- **Check surroundings twice before moving a vehicle.** Large machinery or vehicles can block your view of kids, adults or animals.
- **Wear your seat belts!** And keep kids out of the cab and off the equipment.
- **Keep yourself hydrated.** It's easy to get overheated, so drink plenty of fluids, such as water or energy drinks like Gatorade. Avoid beverages with caffeine, which only dehydrate you faster. And although a beer might taste good, save it until you've called it a day.

Move, new role create synergies

While I've lived and worked for most of my life in Walla Walla, a new role with CHS Primeland brings with it a move. My wife and I are packing up our home and heading to Clarkston, where I'll be based as the Agronomy Sales manager.



By Stacy Beckman, manager, Agronomy sales

Let me tell you a bit about the background I'm bringing to this exciting new opportunity. I worked on a farm as a kid and knew I'd always work in agriculture in some way. When it came to choosing a major at Washington State University, it was a no-brainer: crop and soil science.

After graduating in 1993, I worked for an ag-related company as a sales and branch manager. Then in 2001 came a chance to join the cooperative system as Agronomy manager at Walla Walla.

What excites me about my new role is that it gives me the chance to bring my knowledge and nearly 30 years' experience to CHS Primeland's entire agronomy business. I'm looking forward to encouraging our sales staff to look to the future, being a mentor to younger salespeople and leading our team to the next level of excellence and customer service.

I'm also excited about working closer with senior leadership, the chance to bounce ideas off each other and explore what synergies might exist in buying crop nutrients and crop protection products.

I look forward to meeting our existing and new customers and learning more about your agronomy needs.

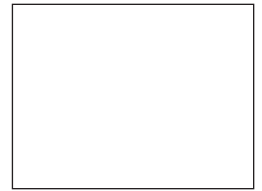
Interested in serving on the board?

CHS Primeland is governed by a local, elected board of directors made up of area producers, and we're looking for board candidates. If you're interested, check out our website for more information, and feel free to contact Ken Blakeman, general manager, to answer your questions.



PRIMELAND

PO Box 467-468
Lewiston, ID 83501-0467



Crop nutrients: It's a global market

If you top-dressed your fields this spring, you may not have known that the product you were applying originated in Qatar, an Arab country on the Persian Gulf. As with grain, the markets for crop nutrients are global. And just like grain, the crop nutrient market is extremely volatile right now.



*By Ken Mingo, manager,
Seed and Agronomy division*

As we move into the third quarter, we hope to see the market soften up a bit across all products, but prices won't reset to the lows we saw last summer. CHS Primeland will be realigning its prices and offering field programs, so ask your agronomist what will fit your operation best.

While the U.S. is still somewhat dependent on imports, we have stepped up production. Ten years ago, the U.S. was a huge importer of urea, but in the past three years, construction began on three new nitrogen plants. Two of these plants have come online, but they're still working through start-up and production issues.

Even with increased domestic production, prices will still be based on world markets.

Today, and for the past 16 years, my goal has been to seek out and buy crop nutrients at competitive prices for our PNW customers. Our hub plant at Port of Wilma lets us bring in product in the off-season, take advantage of pricing programs and connect supply with our producers when they need it.

Back to the future?

As agriculture moves and changes, we have to move and change, too. That got us thinking about moving, especially when it comes to equipment. Envision this: it's spring, and CHS Primeland has 10,000 acres booked near Walla Walla for custom application. St. John and Rockford each have another 10,000, while Moscow has 15,000 on the books.



*By Harold Loomis, senior
manager, operations*

Instead of each of those locations having a full contingent of equipment that may be used on 10,000 acres, what if the equipment moved when and only where it's needed? Does this sound like the traveling harvesters of yesteryear? We may be heading back to the future.

It would be one way of serving our large farms on their schedule, while making a service available just in the areas where there's demand. This shift has already happened in the Palouse and prairie locations where custom application is declining, while it's growing around Walla Walla.

We're committed to maximizing the use of our equipment, keeping our applicators busy and providing the right services at the right time to our customers. It's all positive change, even if it seems like a blast from the past.