



PRIMELAND



# Primeland Perspective



By Ken Blakeman,  
general manager

## Fiscal year-end: A recap of where we are

As we approach the end of harvest and the end of our fiscal year, now's a good time to take a look at where we are financially and what we're working on across our operations.

Financially, overall business continues to perform. However, we are behind budget. One reason is the significant drop in the value of agronomy products we had in inventory. But that inventory allowed us to supply our customers when and where they needed products throughout the growing season.

Our retail operations are undergoing a major reorganization. After more than a year of planning, the boards of CHS Primeland, CHS Mountain West and CHS Northwest approved combining all our retail locations under one umbrella. By bringing the operations of these three organizations together, we hope to

leverage our buying power with this increased size and scale. We've hired Jim Callaghan to lead this effort. He now has 19 stores reporting to him and his leadership team.

Other big projects underway include the remodeling and refitting of the fertilizer building in Worley, Idaho. These improvements will allow us to reconfigure fertilizer distribution in Rockford and the Worley area. When this project is done, we will distribute all of our fertilizer for the Rockford group out of our Worley location.

We have numerous safety projects in progress but at a number of our grain locations you'll see that we're upgrading the entry points to some of our grain pits so that we can more effectively address OSHA regulations for entering enclosed spaces.

And finally, we continue to analyze and evaluate where we make

investments in our grain facilities. In the past five years, costs for building bins and elevators has doubled, making it even more crucial for us to invest wisely in the future at facilities that are going to be around for many years to come.

We also set aside time to thank customers at our annual golf tournaments in Lewiston, Idaho, and Walla Walla, Wash. Thank you to everyone who turned out for these events.

Thank you to all our customers and members for your ongoing support of CHS Primeland. We're here for you, in good times and bad, with the goal of helping make your operations and businesses as successful as they can be.



Sale ends 9/30/23.



By Jim Callaghan,  
regional operations  
manager, Retail

## How reimagining can ramp up retail

Start by imagining three organizations with three separate retail operations. All three are doing well, but they're also up against the competition of online shopping, big-box stores and shifting customer bases.

Now imagine bringing the retail operations of these three organizations — CHS Primeland, CHS Mountain West and CHS Northwest — together. As one retail entity, they can combine resources and consolidate their advertising and ordering. With 19 stores, they gain the buying power to attract vendors and compete against larger chains.

That's how retail at CHS Primeland has been reimagined. Already, the change is reaping benefits. By working together, the three organizations have not only entered an agreement with True Value, which includes better terms and a rebate program, but they're also now part of Wheatbelt Buying Group.

This is how we're going to give retail an overall boost.

### Customizing retail

But these changes haven't created cookie-cutter stores. Each store will still serve its local customer base, customizing the product mix to fit that location. For example, in one area, we've been getting requests for more products to care for and feed reptiles. We can do that!

We want to tap into the huge potential of the pet and horse market, bringing our customers the products and brands they want. But we'll still offer the basics you rely on.

Each organization will still have a retail base. For CHS Primeland, it's Lewiston, Idaho; for Mountain West, it's Missoula, Montana; and for Northwest, it's Lynden, Washington.

### Working together

Since I started this role in April, I've made two tours of all the stores. There's a lot to be done so that they can work together, whether it's converting to the same IT platform, leveraging other technologies, buying from common suppliers, coordinating special events, aligning prices or producing consistent marketing. We're also taking a hard look at our stores, asking tough questions, evaluating where we can expand and grow and starting to map out our direction for the future.

Did you know that in retail, we have more points of contact with you, our customers, than any other sales group in the three organizations? This gives us a great opportunity to offer total CHS programs across all the areas where you do business with the co-op.

### One common denominator

As I have become more familiar with all 19 locations, I've found one common denominator: the employees. We have great people who know their products, know their customers and know how to give great service. And that's priceless. Because for all of us, it's about you and how we can take care of you, our customers, owners and neighbors.



By Butch Schwandt,  
manager, Retail

## What reimagining retail looks like for CHS Primeland

As you read in Jim's column, retail for CHS Primeland is being reimagined. In the past four months, we've continued projects such as implementing our point-of-sale system, which will allow us to manage our inventory better. All three retail divisions will be on the same system, which will aid with ordering and evaluating products.

We're now part of Wheatbelt Buying Group, which lets us get better pricing from our vendors, which we can pass on to our customers. Our senior buyer, Angila Rudy has been to several trade shows to check out the latest and greatest products to bring to our stores.

We'll be doing some remodeling at the Craigmont and Lewiston stores in the near future. We'll be unveiling the new look sometime this fall. Also coming to Craigmont is a beer cave; watch for it in November.

Across retail, all stores will be getting a unified look and name. Stay tuned.

But no matter the name or the look, you can still count on the same great service from our retail staff.



By Matt Ruhnke,  
Precision Agriculture specialist, Agronomy

## Behind-the-scenes upgrades improve sales, inventory process

This summer, applicators and agronomists from the Northwest CHS business units came together to learn about and be trained in two new tools for optimizing crop yields and application efficiency: Agellum and Raven.

These technologies work in tandem. Agellum uses data gathered by drones, satellite imagery, harvest yield reports or agronomists who survey the field and check plant health to determine what the plants need. This information is used to create zone maps that indicate the specific areas in each field and the varied rates of fertilizer that will be applied.



The maps are then sent to Raven monitors, which track the application of fertilizer in detail, including products, rates, speed and fuel use, on every acre of every field. This information is then sent to the office, where it's entered electronically into Agellum, creating a record for the grower and the co-op.

Raven also generates notifications after every field, which are sent to growers to keep you better informed about the progress of the work, when it's completed, if any restricted-use chemicals were applied and what the restricted entry interval is.

What's great is this technology can be used by our growers, as well as our applicators. We can set up the system so you can do your own application with variable rate technology.

### So what does this mean for you? It means that:

WE'RE ABLE TO HELP YOU USE EACH ACRE IN THE BEST WAY POSSIBLE, GIVEN ITS PRODUCTION CAPABILITY.



YOU'RE GETTING THE BEST AND MOST EFFICIENT USE OF PRODUCTS TO OPTIMIZE YIELDS.



WE'RE IMPROVING COMMUNICATION BETWEEN THE APPLICATOR, SALESPERSON AND YOU.



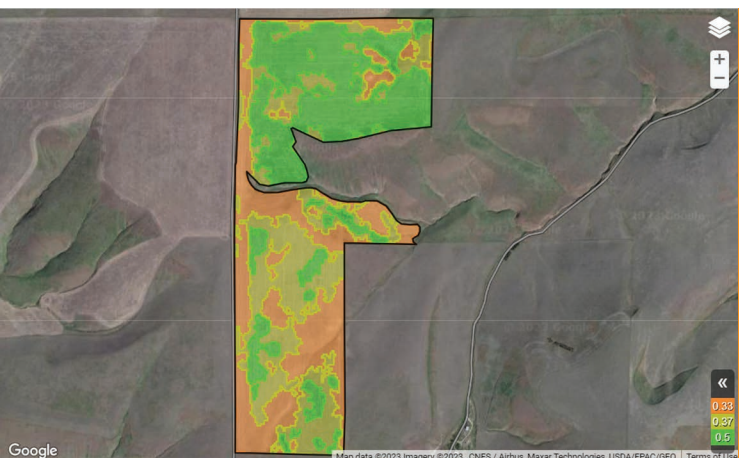
YOU'LL HAVE A COMPREHENSIVE RECORD OF THE WORK THAT WAS DONE.



WITH A STANDARDIZED SYSTEM, APPLICATORS CAN WORK IN DIFFERENT LOCATIONS WITHOUT HAVING TO LEARN A NEW PROCESS, ALLOWING THEM TO COMPLETE MORE ACRES IN A TIMELY MANNER.



**If you want to learn more about how Agellum and Raven can optimize your production, please contact me.**

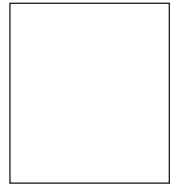






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## Ups and downs of world grain markets are unprecedented



*By Russ Braun,  
manager, Grain division*

I know the word “unprecedented” may be overused, but it’s the best way to describe the volatility of world grain markets. It’s not uncommon to see a 30-50-cent swing in the futures market in just one day. In August and September of last year, grain prices rose to more than \$9/bushel, but in the past nine months, have dropped as low as \$6.50/bu.

What’s driving this volatility is the ongoing war in Ukraine, coupled with weather extremes in wheat, corn and soybean country.

First, let’s look at the war’s impact on Ukraine. The country has been seen as the breadbasket for Europe, Africa and many other parts of the world. But with war raging, the number of planted acres is down and fields are booby-trapped with landmines, making it treacherous, if not life-threatening to work them. The Russians have ended the agreement to let grain ships in and out of Ukrainian ports and have been bombing port infrastructure in Odesa. Grain shipments have ground to a halt.

In the U.S., Montana and western North Dakota are projecting huge crops, while farmers in Texas, Oklahoma and Kansas will be lucky to harvest half a crop. In the Pacific Northwest, the crop is below average due to a lack of rain.

Drought conditions are affecting corn and beans, as well, and this could have an impact on wheat. The U.S. corn crop is projected to be 14 billion bushels. While corn is king, end users like livestock feeders, will go with the feed that’s lowest cost. If wheat gets cheaper than corn, they’ll switch to buying wheat.

### What this means for you

Given that war and weather can turn on a dime and the global forecast changes practically every hour, it’s prudent to cautiously sell some of your grain into the rallies. The key is not to market your grain on the previous year’s successes or failures. That means being in the market for nine months out of the year and not nine minutes.

I’m here to provide what information and insights I have, so if you want to discuss your plans, please don’t hesitate to call me.

