



PRIMELAND



Primeland Perspective



By Ken Blakeman, general manager

Patronage: One of the pluses of doing business with a co-op

In February and March, we'll be getting together for our grower and annual meetings. At all of them, we'll be reviewing financials, highlights of 2022 and plans for 2023. You'll also be hearing about products and services from our vendors and staff.

As a cooperative member, you're part of an organization committed to your success, bringing you the products, services and advice you need for a profitable operation. We also support our communities through donations, involvement with 4-H and FFA and working with local businesses and schools. Strong communities are essential to your success and ours.

Patronage is another plus of being a co-op member. CHS closed its year with earnings just short of \$1.7 billion. These strong earnings have a direct impact on allocated patronage to producers, which is just over \$7 million this year. Here's what you'll be receiving from CHS Primeland:

- 6.4%: Crop protection products
- 10.8%: Crop nutrients
- 3.75%: Seed
- .5%: Feed
- 2.4%: Gasoline
- 6.9%: Diesel
- 14.5 cents/bushel: All winter wheat
- 19.3 cents/bushel: Red spring wheat

Here's some perspective:

- If you paid \$1,000/ton for fertilizer, \$100/ton comes back to you in patronage.
- If you paid \$3.50/gallon for gas, you're receiving 8.4 cents/gallon in patronage.
- If you paid \$4/gallon for diesel, you're receiving 27.6 cents/gallon in patronage.

No private company offers these kinds of annual benefits.

Looking at the year ahead, we're still challenged by many factors, especially inflation, which are driving significant changes in the marketplace. In 2023, the staff and board are looking differently at the facilities we own and maintain, digging deep to evaluate them on how they fit together to provide growers and customers with a system that will best serve their needs and thrive into the future.

Don't miss your grower meeting!

- Feb. 14, Walla Walla, Washington, 7:30 a.m. to 12:30 p.m., Fairgrounds
- March 1, Greencreek, Idaho, 8 a.m. to 1 p.m., Community Hall
- March 3, Lewiston, Idaho, 8 a.m. to 2 p.m., Ketchpen at Lewiston Roundup Grounds
- Lunch served at all meetings

Grain markets look bullish — with some conditions



By Russ Braun,
manager, Grain



In mid-January, the U.S. grain supply and demand report had bullish undertones, due to reduced corn and wheat carryout, and the market responded slightly. But in the near term, the market's going to take its direction from rains in Australia and if production of milling-quality wheat is down.

One of the big unknowns is the condition of the hard red winter wheat crop. At this point in the growing season, it's showing the worst crop-condition report since tracking began. But we still have months before harvest, and the situation could change.

While grain exports from Ukraine and Russia had a big impact on the market earlier this year, an international agreement is allowing grain to be shipped steadily from Ukrainian ports. If this continues, it will keep markets in check and satisfy global wheat demand. However, if these exports were to stop, the markets could change overnight.

So the situation in Ukraine is still wait-and-see. If the war were to end, it could still take 12 to 18 months for exports to return to normal. Once both Ukraine and Russia are back online, global grain prices could decline.

There are a couple of things you can do to capture the most value from your grain. Give some thought to our price-building bonus contracts, which are trading at significantly better values than hedge-to-arrive. Be prepared to sell some of your 2023 production when market rallies present themselves.

And finally, consider selling some grain throughout the year, rather than all at once. If you're actively selling over nine to 10 months, the weighted average is better than trying to pick the top and selling then. If you want to discuss your options, please don't hesitate to give us a call.

Grower and annual meetings just around the corner

It's time for growers and CHS Primeland staff to gather at our grower and annual meetings. We've made a few changes this year to add even more value for you.

You'll hear about CHS Primeland financials and operations; company representatives will update you on new crop protection product lines; and CHS Primeland staff will discuss energy and grain. As always, growers will receive three to four licensing credits for Washington and Idaho at all meetings.

We look forward to seeing you!

What's new in Agronomy

To give our growers a competitive edge, we're hiring a precision ag leader, who will work out of our Clarkston, Washington, office. This new employee's focus will be to bring new technology and data into the field, including digital imagery to guide variable-rate fertilizer application, as well as other ways to give you the best returns on your production investments.

Starting in February or March, we'll be building a new 1-million-gallon UAN 32 storage tank at the Port of Wilma. We receive UAN by barge, and a full barge carries about 3,500 tons. Our current capacity is less than



By Craig Stillwell,
manager, Agronomy

2,500 tons, which limits our ability to capture advantageous prices. This storage was built into the plan for the Port of Wilma, so the containment structures are already in place.

When it comes to product costs, there won't be any surprises this spring. Fertilizer pricing is a little softer than in the fall, but we're still coping with the same issues getting the products we want when we need them.

We're ready for spring and ready to serve our growers. Here's to a great growing season!



Granny's Tamales serving up delectable eats

Since November, Rawli Rodriguez has been serving up delectable eats to customers at our location in Walla Walla, Washington. This is a second location for Granny's Tamales, which was started by his mom. Rawli was a videographer in L.A. before turning in his camera for a chef's apron.

We're delighted to have a high-quality restaurant back in this space, and I hope if your travels take you to Walla Walla, you stop in for a snack or meal. Word on the street is that this is some of the best Mexican food people have ever eaten.

Also in Walla Walla, we've installed our new point-of-sale system, which brings this location into alignment with our other retail stores. The system will help us manage the business more efficiently, identify those items that fly off the shelves and those that are slower movers, and take advantage of product and price opportunities based on data.

At all our locations, we're reviewing a new supplier for our convenience store merchandise. We also may be adding beer caves at two locations. Plus, two locations are undergoing



By Butch Schwandt, manager, Retail

total resets to improve customer service, selection, better buying opportunities, operations and profits.

And finally, you know the price of eggs is going through the roof. So maybe this is the year you start raising chickens. Our Baby Chick Sale begins in March. Not only will there be chicks for sale, but for every bag of chicken feed you buy, you'll get two free chicks. We also have all the supplies you need for your chicken flock.

Seeds, treatments customized for the PNW

It's an exciting time for growers in the PNW with new advances in seed varieties and treatments that address diseases, insects and weeds. These varieties were well received by growers. Now we're waiting to see the results.

Last fall, we offered the first CoAxium soft white winter wheat varieties with Aggressor herbicide tolerance bred specifically for the PNW. New varieties are coming that are an even better fit for our area, so stay tuned.

This spring, the focus is on treatments available for our spring wheat varieties:

- For our standard package, we're offering Albaugh CHS custom blend .50 with Legend for insect control.

- For wireworm control, we're offering our BASF Teraxxa F4 custom blend.
- New to our Teraxxa F4 blend are two new fungicides: Relenya and Systiva. These products are particularly effective in cold wet conditions. Systiva offers exceptional translocation and systemically provides more consistent and continuous seedling disease control of *Rhizoctonia* and *Fusarium*.

When it comes to spring soft white wheat and DNS varieties, there are no new releases, but we have an excellent supply of top-performing options, including Ryan, Seahawk and Tekoa. We also have good supplies of



By Kevin Whittaker, manager, and Tori Wittman, sales, Seed

DNS WB 9668 and Glee. For our malt barley varieties, we're offering AAC Connect and a new variety called CDC Fraser. Fraser is showing excellent malting factors, yield and quality.

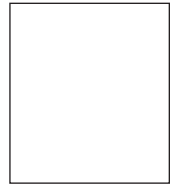
On the horizon for 2024 are two new releases from Washington State University that are going through the increase process this year. They include the club wheat Roger, which has excellent Hessian fly resistance and top yields, and DNS Hale, which is high in protein and is showing excellent yield potential.

Whatever your seed needs, contact us so we can find the best option for you.



PRIMELAND

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Streamlining systems to deliver your fuel needs

Throughout 2022 and now going forward in 2023, we're focusing on streamlining our monitoring and delivery systems to ensure you have fuel when you need it.

Our goal is to get as many fuel-level monitors in tanks as possible. These are installed at no cost to our customers. Tank monitors electronically notify us when fuel reaches a certain level. We're then able to schedule a delivery to ensure you always have fuel. You're also able to monitor tank levels on your phone,

saving you a trip, whether your tank is across the yard or at another location.

Aside from convenience, the tank monitor can be a money-saver, since fuel discounts per gallon go up when more fuel is delivered at one time.

We've also installed electronic delivery software in our trucks. This program eliminates handwritten receipts and manual usage tracking. Your driver will be able to provide you with a printed, detailed receipt. In addition, the information gathered onsite is transmitted to the system



*By Lee Holtom,
manager, Energy*

in the office and syncs with your account for billing. Gone is inputting information from tickets by hand.

To streamline delivery, we're upgrading our own facilities. At two of our retail fuel sites, we're making plans to install tanks so they can be filled by tankers from our transfer stations.

Tank monitors, delivery software and upgraded facilities all contribute to more streamlined, efficient and convenient energy operations.

Make sure your financing is ready when you are

Spring is coming, so now's the time to double-check your financing to-do list:

- Meet with your CHS Primeland sales staff to work through your growing plan to determine how much credit you'll need.
- Work with your credit provider to arrange for your operating credit lines.
- Contact me to apply for deferred accounts. You'll also need to

provide me with an updated balance sheet so you have the appropriate credit limit for your operational needs.

We may also need updated account applications from producers. You'll be contacted by your sales rep or receive a letter via mail from CHS Primeland. If someone contacts you for this information by phone, please check with us.



*By Kimberly Wilkening,
manager, Credit and Finance*

If you have questions about year-end funding, please reach out to me, and I'll be happy to help you.

Sooner than we know, we'll be in the middle of our busy season. So be prepared as early as you can so your credit and financing are ready to go when you are.