

Volume 13 | Quarter 3 | 2024
Ag Partners News



Between the Rows

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CEO UPDATE

Steadfast in the Face of Adversity - Several years ago, I stopped watching the mainstream national news for various reasons. Now, instead of consuming news from one or two sources, I peruse several local, national, and global news sites. With it being an election year, it is hard to escape the coverage of the first Presidential debate. I did not watch the debate, but I did watch some of the highlights in the days after. With our culture being extremely politically charged, it can be difficult to have conversations revolving around politics. This charged climate is indicative of the unrest from the crises that are on the global stage and in our country's own backyard. In the last several years we have seen wars break out, political unrest, rising inflation, and a host of other market disruptors. All these global and national challenges impact not only our home lives but also our local agriculture industry.

Looking in the rearview mirror, we have seen strong profitability at the farmgate in the past few years. The road ahead does not look to be as profitable. Decreases in the price of commodities, coupled with higher input costs and interest rates, make the proposition of generating positive returns for production agriculture a challenge.

Earlier this year, the Federal Reserve was forecasting several interest rate cuts, but all talk of rate cuts has subsided. With inflation remaining high, the likelihood of seeing any relief related to the current cost of capital has all but gone away. Is the current economic environment sustainable or is this the new normal? It is hard to fathom that we can continue without some significant change.

I do not frequent the grocery store, but I recently accompanied my wife on a quick trip for produce and a few other miscellaneous items. What we purchased filled only a few bags that we carried out by hand. The cost resembled a few weeks' supply of groceries not too long ago and had I not observed the price increase on every item we purchased, I would not have believed the total. Whether at the grocery store, in a restaurant, renewing insurance coverage, filling the gas tank, or paying monthly bills, we are all feeling the pressure of near-all-time high costs. Farming operations, retail agriculture and cooperative spaces are not exempt from these increases.

We are all in the same boat.

For our industry and Ag Partners Cooperative, these factors have resulted in expenses essentially doubling over a ten-year period. Insurance costs, interest rates, labor expenses, investment costs, facility maintenance, and rolling stock costs are all up significantly. Across the board, every expense category has seen increases.

With no apparent fix to these challenges coming in the short term, which way do we turn? History has proven that if anyone has the knowledge and ability to remain steadfast in the face of adversity, it is the American farmer. The cooperative system has also persevered through challenging times such as we face today. I propose we turn the way we always have, towards one another. Together we will be able to navigate these hard times.

Ag Partners is here to support you. We intend to be steadfast in the face of adversity right alongside you and have already taken steps to ensure we are here to partner with you for the long-term future. Over the last several years we have made significant investments in fixed assets, rolling stock, internal systems, and digital platforms. While these steps are a great start, there is still more work to be done. Determining how to best allocate capital investment for the benefit of you, our owner, is both a challenge and a top priority.

Despite these uncertain times, there is always something to be grateful for. We have been blessed with consistent moisture during the spring planting season and into early summer. The growing crop in our trade territory looks as good, if not better than many other portions of the Midwest. I wish you all the best as we continue through this growing season.

Regards,

- Wes Spohr
President & CEO



RISK MANAGEMENT UPDATE

Rain Makes Grain - Most areas are seeing an abundance of rainfall as we head into Summer. June of 2023 was one of the driest on record and June of 2024 might go down as one of the wettest Junes for our territory. The only downside is that most of the Corn Belt is receiving good rainfall, so the depressed grain markets predict a big harvest. If grain prices continue to drop, the producers taking advantage of new insurance products like Enhanced Coverage Option (ECO) could see some claims this year. ECO stacks on top of your current Multi-Peril Crop Insurance to give you a higher-level protection and it includes a subsidy as well. The drop in corn prices during 2023 produced a lot of ECO payments for producers, even though we harvested excellent yields (which led to zero payments from your Multi-Peril Crop Insurance policy). If you are curious how your neighbor got a Crop Insurance check with a bumper harvest, please reach out to the Risk Management Team and Jim Ward or Darcy Pralle would be happy to explain!

Switching subjects, our cattle producers are seeing another good run in the cattle markets this year. Of course, it only takes an arm and a leg to buy a pen of calves to fatten out. The high prices look great to the naked eye, but they are causing a lot of thin margins

for those buying and reselling calves later. If you can't afford to let margins slip away, Ag Partners has Livestock Risk Protection to set a floor price now and give you peace of mind if markets fall later this year when you are selling those calves. If you're 100% sure these high cattle prices are here to stay please share your crystal ball with us, we would love to take a gander!

Last but not least, a little housekeeping topic. Please get your 2024 planted acres turned in as soon as possible to FSA and your Crop Insurance Agent. The deadline is July 15th and we want you to have plenty of time to make any edits or corrections. Also, when you receive your Schedule of Insurance in the mail outlining all the final coverages on your farm, please give it a thorough review. We want your crops, acres, shares, etc. to be perfect this summer so there are no bad surprises if we have a claim on those come Harvest time. If you have any concerns please reach out to Jim Ward or Darcy Pralle at Ag Partners for assistance.

Hope everyone has an enjoyable summer!

- Darcy Pralle, Crop Insurance Specialist

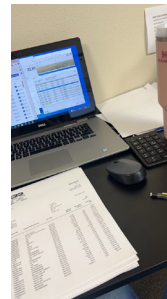


2024 MEET THE INTERNS

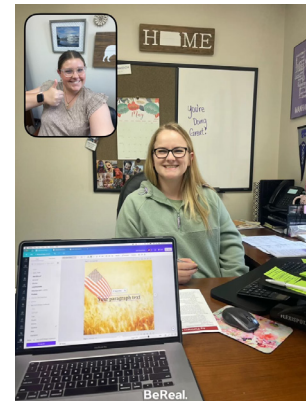
Ag Partners welcomed ten interns to our team this summer. They have had a busy summer so far scouting fields, attending trainings, shadowing different employees, and having fun in between. Some activities that interns have been involved in this summer include attending the Kansas State FFA Convention, KCC Coop 101 for Interns, Winfield Crop Scout Training and Kansas City Royals Baseball games. Each intern will wrap up their internship with a final presentation of projects they worked on over the summer to fellow interns, mentors, and the Ag Partners Leadership Team. Read more about each of our awesome interns below. We are looking forward to the rest of the summer filled with learning, networking and growing opportunities!



Jodie Uhri **Accounting Intern**
Hometown: Falls City, NE
Year in School: Sophomore
College Major: Ag Business
University Attending: Southeast Community College
Mentor/Supervisor: Caitlin Holthaus
Hobbies: Trap shooting, raising goats



Jenna Fiscus **Marketing Intern**
Hometown: Valley Center, KS
Year in School: Senior
College Major: Ag Communications & Journalism
University Attending: Kansas State University
Mentor/Supervisor: Jessica Hermes
Hobbies: Spending time outdoors, hanging out with friends, horse judging



Macie Behrnes **Inventory Intern**
Hometown: Horton, KS
Year in School: Senior
College Major: Ag Business
University Attending: Kansas State University
Mentor/Supervisor: Shannon Fischer
Hobbies: Team roping, barrel racing

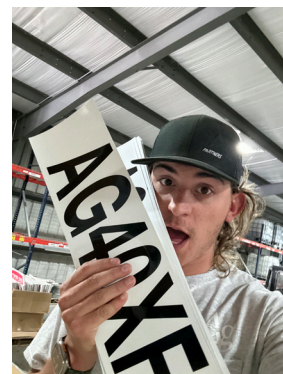


Douglas Koch **Digital Ag Intern**
Hometown: Clyde, KS
Year in School: Senior
College Major: Agronomy, Precision Ag
University Attending: Kansas State University
Mentor/Supervisor: Ethan Noll
Hobbies: Watching sports





Jacob Garber **Agronomy Intern**
Hometown: Sabetha, KS
Year in School: Sophomore
College Major: Agronomy
University Attending: Southeast Community College
Mentor/Supervisor: Preston Thomas
Hobbies: Hunting, fishing, working on vehicles



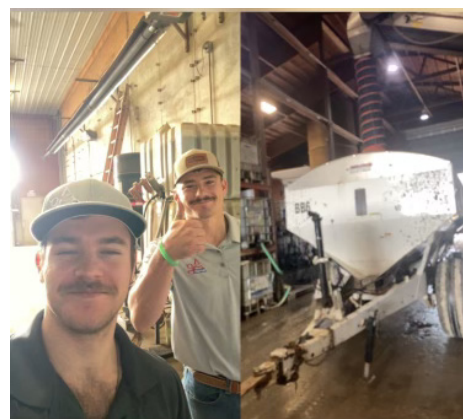
Jake Heim **Agronomy Intern**
Hometown: Leavenworth, KS
Year in School: Senior
College Major: Ag Technology Management
University Attending: Kansas State University
Mentor/Supervisor: Cameron Alderfer
Hobbies: Farming, boating, flipping equipment from Facebook Marketplace



Brynn Boxberger **Agronomy Intern**
Hometown: Great Bend, KS
Year in School: Senior
College Major: Ag Business
University Attending: Kansas State University
Mentor/Supervisor: Levi Lehmkuhl
Hobbies: Hunting, fishing, sports



Brody Jeschke **Agronomy Intern**
Hometown: Troy, KS
Year in School: Freshman
College Major: Ag Economics
University Attending: Kansas State University
Mentor/Supervisor: Nicholas Blevins
Hobbies: Hunting, hanging out with friends, video games



Max Filing **Agronomy Intern**
Hometown: Munden, KS
Year in School: Senior
College Major: Ag Business
University Attending: Kansas State University
Mentor/Supervisor: McKenzie Cromwell
Hobbies: Team roping, barrel racing



Will Stalder **Agronomy Intern**
Hometown: Humboldt, NE
Year in School: Senior
College Major: Agronomy
University Attending: University of Nebraska, Lincoln
Mentor/Supervisor: Tyler DiGiacomo
Hobbies: Riding dirt bikes, fishing

NEW EMPLOYEES

Mohan Garlapati

J1 Visa Employee, Region 2

Jakeer Shaik

J1 Visa Employee, Region 2

Tahj Engelken

Operations Technician (Vliets, KS)

Kyler Wommack

Operations Technician (Corning, KS)

Eddie Henninger

Welder/Fabricator (Centralia, KS)

Andrew Jirak

Part-Time Digital Ag Technician (Hiawatha, KS)

Ethan Hertzler

Operations Technician (Sabetha, KS)

Josh Belling

Operations Technician (Sabetha, KS)

Chase Holthaus

Custom Applicator Apprentice (Seneca, KS)

Hayes Woodard

Part-Time Operations Technician (Belvue, KS)

Garrett Peterson

Operations Technician (Belvue, KS)

Clifford Lowe Jr.

IT Specialist (Hiawatha, KS)

Anita Schmitz

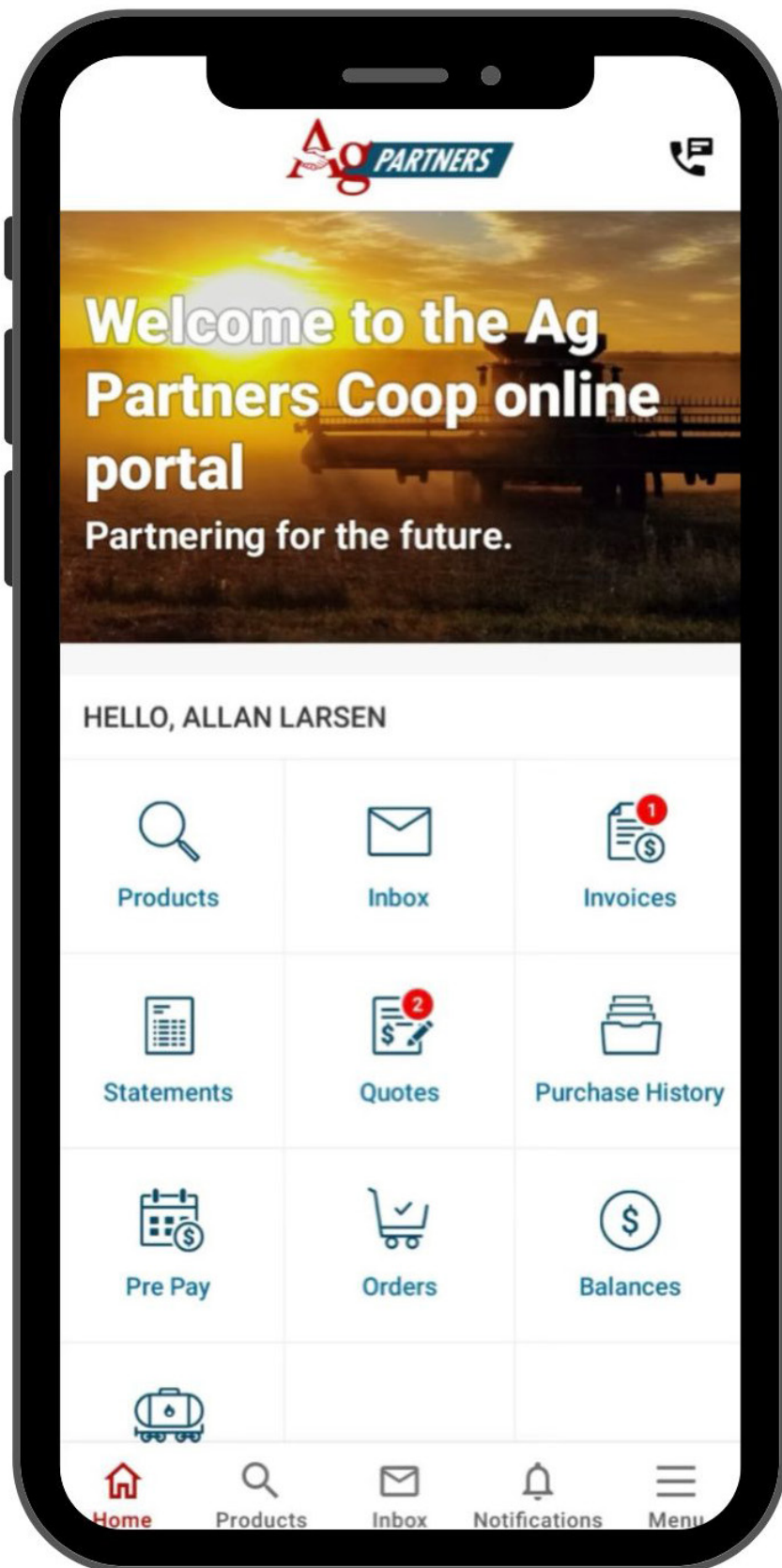
Energy Accounting Specialist (Seneca, KS)

Turner Howard

Part-Time Operations Technician (Sabetha, KS)

Welcome Aboard!

AG PARTNERS PORTAL



**Our app helps you
accomplish your every
day responsibilities, but
now seamlessly, quickly,
and easily!**

**Now, you can pay an
invoice, get or check
the status of a quote,
make an order, and
chat with our team.**

**Download Today on
the App Store!**

GRAIN UPDATE

The Importance of Forward Contracting Grain Sales: Building Strong Merchandising Plans with Ag Partners

- Agricultural markets can be unpredictable, making it essential to use smart strategies to ensure your farming business remains profitable and sustainable. One effective strategy is forward contracting grain sales. This method offers several benefits for managing risk and securing favorable prices. At Ag Partners, our merchandising team is ready to help you create strong merchandising plans tailored to your needs.

Why Forward Contracting?

Forward contracting allows you to lock in a price for your grain before harvest. This proactive measure offers several advantages:

- **Price Risk Management:** By locking in prices, you protect yourself from market downturns and price drops.
- **Cash Flow Stability:** Securing a guaranteed price helps with financial planning, ensuring steady cash flow to cover expenses.
- **Market Opportunities:** Taking advantage of good market conditions when they arise allows you to maximize profitability.
- **Cost Reduction:** Forward contracting avoids the costs of storing grain, which can be expensive at Ag Partners or on the farm. To that end, delayed price charges will be 5¢/bu/mo. for the 2024 fall new crop harvest.

Partnering with Ag Partners' Merchandising Team

Our merchandising team at Ag Partners is committed to helping you navigate the complexities of grain marketing. Here's how we can support you:

Customized Marketing Plans

We work with you to develop a marketing plan that

aligns with your production goals and financial objectives. Each plan can be tailored to fit your specific situation, considering market trends, historical data, and risk tolerance.

Market Insights

Our team provides timely and accurate market information, helping you make informed decisions. We keep you updated on market trends, weather conditions, and other factors that can impact grain prices.

Contract Options

We offer a variety of contract options to suit your needs, including:

- **Fixed-Price Contracts:** Lock in a price for your grain ahead of time.
- **Minimum Price Contracts:** Ensure a minimum selling price while allowing for potential price increases.
- **Futures-Only Contracts:** Use futures markets to manage price risk.
- **Basis Contracts:** Lock in the basis (the difference between local cash prices and futures prices) while leaving the futures price open.
- **Options Contracts:** Use market options to enhance prices or limit downside risk.

Each contract type offers different levels of price protection and flexibility.

Ongoing Support

Our relationship doesn't end once a contract is signed. We continuously monitor the markets and provide advice on new opportunities to enhance your marketing strategy.

Building Confidence Through Expertise

We aim to empower you with the knowledge and tools needed to make sound marketing decisions. By working closely with our experienced merchandising team, you can confidently navigate market uncertainties and capitalize on opportunities.

Q2 AGCEPTIONAL WINNERS

We understand that every farming operation is unique, and we pride ourselves on offering personalized service that respects your individual needs and circumstances. At Ag Partners, we are not just your grain buyers; we are your partners in success.

If you want to learn more or stay updated on grain marketing, we invite you to contact our merchandising team. Together, we can develop a comprehensive merchandising plan to help you achieve your financial goals and secure a prosperous future for your farming business.

Ag Partners Customer Portal

We hope you've seen our marketing campaigns about our new customer portal and have either downloaded the app or are planning to do so. While we value doing business in any convenient way, this new portal enhances communication and offers cost savings for Ag Partners. By conducting business electronically, we reduce mailing and printing costs, and you get easy access to view your account information, sign contracts electronically, and see contract balances and account history in one easy place. If you need assistance with the app or have any questions, please call the Seneca grain office.

Looking Ahead

In mid-to-late July, we will send a request for updated field splits. We will share the current splits by entity and ask for any changes before the fall harvest season. Accurate ticket split information reduces the need for corrections during the busy harvest period, minimizing errors. By updating your field splits, we can speed up scale times and provide you with more accurate information. Our goal is to ensure the most precise accounting for you.

Thank you for choosing Ag Partners. We look forward to continuing to support you in all your production and marketing needs.

**- Brice Elnicki, SVP Grain & Business
Development**



Tyler DiGiacomo
Agronomy Account
Manager
Hiawatha, KS



Mary Clark
Office Assistant
Padonia, KS



Brenna Eilert
Talent Manager
Seneca, KS



GIVING BACK

In 2024, Ag Partners teamed up with CoBank's Sharing Success Program for our first round of matching donations, contributing \$20,000 to local organizations. Recipients included the South Brown County Community Foundation, Greater Sabetha Community Foundation, Nemaha County STEP Foundation, and Highland Foundation, supporting various community initiatives.

In the second round, we collaborated with the Land O'Lakes Foundation's Member Co-op Match Program, donating \$26,000 to organizations like the Hiawatha Community Foundation, Tarkio Rodeo Association, Nemaha Valley Health Care Foundation, and Kelly Ball Association. These contributions supported community match days, cultural events, healthcare improvements, and recreational projects.

Our partnerships with CoBank and Land O'Lakes Foundation enhance our ability to support local communities, doubling our contributions and reinforcing our commitment to making a meaningful difference. Utilizing our fund at the Kansas Rural Communities Foundation (KRCF), we ensure efficient and impactful distribution of these donations.

Ag Partners is dedicated to enriching our communities through these valuable partnerships. We look forward to continuing our support and seeing the positive changes these donations will bring!

Greater Sabetha
Community
Foundation



Highland
Foundation



Hiawatha Community
Foundation



Kelly Ball
Association



South Brown
County Community
Foundation



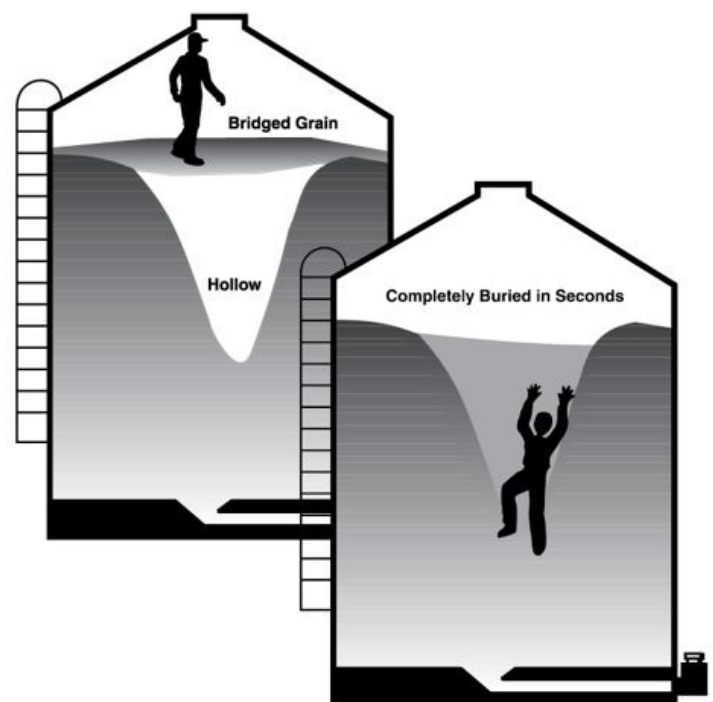
SAFETY FIRST

Summer is the time of year when on-farm bins are cleaned and prepared to receive the fall crop. As of late June, the crops look terrific, so I want to spend some time talking about grain bin safety.

Hazard recognition is crucial to cleaning out bins safely. If grain is in good condition, it will flow down and create a cone, if there is only one center draw point, or two slopes of grain if there are multiple holes in the bin floor. When grain quits flowing on its own, in good condition, it has met its angle of repose. It will not move until something, or someone, moves it. This is the safest point to enter grain bins. However, if grain is out of condition due to moisture, insects, etc. there could be a cavity in the bin or grain could be hung up on the wall. It is important to climb to the top of the bin and look in before opening the side entry door to see if hazards exist and where they are. If grain is not cone-shaped, there could be a cavity in the bin and if grain is hung up, it could avalanche down. Bins should not be entered if these hazards exist. Failure to understand and recognize these hazards can be deadly. This is one of the most common reasons for engulfment.

Entanglement in grain conveyances is another critical hazard to be aware of when cleaning and preparing bins. Before entering grain bins, ensure that the floor conveyances are locked out and appropriate guards are in place. Locking out equipment prevents any unexpected startup. Suitable guarding involves installing grates over open holes or closing them off entirely to prevent anyone from stepping into them while the equipment is operating below. Neglecting these safety measures can result in severe injuries, including amputations.

“Someone Expects You Home Tonight”



ENERGY UPDATE

It is wonderful to see how well the crops look in our area at this point of the year. A few of our vendors have told me that right around our core territory has the best-looking crops they have seen in all the areas they cover by far! Let's hope things will stay this way and we see a bountiful harvest this fall.

The energy side of things has been steady over the past few months. We have finished our propane routes for the season and will soon be focused on the summer fill season starting in August. On our refined fuels, our guys continue to stay very busy with delivering products. However, due to the rain, the guys have had some days to catch their breath this year.

We will be sending out our winter propane contracts in early July. These need to be completed and returned to us by August 1st. Our guys will start their summer fill routes in early August, so returning those contracts early will let them know who wants to be on the summer fill list. This year, you will find a document listing all our policies in your contract packet. In previous years, many of our customers and employees did not have a good grasp on policies that have evolved over the years. I will also admit that there have been times when we have been relaxed about these things. To better serve our customer base, be a profitable business, and continue to offer competitive pricing, we must begin to enforce these policies

Looking at fuel markets, we have recently seen a trend that also appeared this time last year. Prices had been on a downward trend from late April through early June and have since started to go back up. There are currently a lot of worldwide conflicts with the potential to erupt, which would cause a significant increase in prices. We are also entering hurricane season, so be on the lookout for storms that may hit the Gulf, shutting down refineries and rigs and increasing prices. It will be interesting to see how fuel markets and prices go over the next few months since we are in an election year.

Those who qualified for this past winter's Cenex Gift Cards for Gallons promotion for oil should have received your cards in the last month or so. If you feel that you should have gotten one and did not, please contact me so I can verify.

We have had some recent personnel changes in our energy department. First, Travis Schulte, one of our sales reps, recently left Ag Partners to pursue another opportunity in sales. Travis will be greatly missed, especially for his ability to build strong customer relationships. We are currently finding his replacement, but the new person will cover a bit different territory. We will be sure to get that information out as soon as we can.

A little update from our Joplin location. It has been challenging, to say the least, to become fully operational



at the location, but we have recently gotten our lubricant truck and trailer employed to deliver oil, DEF, and some ancillary products. It is nice to see the fruits of everyone's labor coming around. Having that asset will help tremendously in delivering products in a better time frame. We have also seen progressive results each month in refined fuel sales. Our sales and operations staff in Joplin continue to build our business there and we are starting to see growth and momentum from that location.

Harvest will be upon us quickly, so I want to remind everyone to look at your supplies before harvest hits. This includes DEF, oils, and fuel. Getting in front of filling these items helps us to better serve everyone when the busy season rolls around. Also, please don't forget that we can contract fuel at any time of the year, so if you have any doubts and want to have some protection on higher prices for harvest, give us a call.

Thank you all for your continued business and support! It is greatly appreciated!

- Eric Osterhaus, VP of Energy

FUEL YOUR COMMUNITY

2024 Quarter 2 Totals

- Seneca Fuel Pumps - Northeast Kansas Arts Foundation \$787.87
- Corning Fuel Pumps - Centralia Community Library \$246.50
- Axtell Fuel Pumps - Eagle Booster Club \$161.07
- Denton, Powhattan, Willis & Robinson Fuel Pumps - Horton FFA \$237.40

Ag Partners is proud to donate a portion of all sales at all pumps to area organizations.



Ag Partners is donating a portion of all sales at our fuel pumps to the following groups in 2024:

Axtell Cardtrol Donations

January 1 - December 31: Eagle Booster Club

Bern Cardtrol Donations

January 1 - June 30: Northeast Kansas Arts Foundation

July 1 - December 31: Nemaha County Fair

Corning Cardtrol Donations

January 1 - June 30: Centralia Community Library

July 1 - December 31: Nemaha County Fair

Denton, Powhattan, Robinson & Willis Cardtrol Donations

January 1 - June 30: Horton High School FFA

July 1 - December 31: Hiawatha Elementary School PTO

Seneca Cardtrol Donations

January 1 - June 30: Northeast Kansas Arts Foundation

July 1 - December 31: Nemaha County Fair

FUEL YOUR COMMUNITY

NEW APPRENTICE!



Chase Holthaus is the first Custom Applicator Apprentice and participant in the Ag Partners Apprenticeship Program! He has a strong interest in agriculture and learning hands-on, and the Custom Applicator Apprenticeship seemed to offer the perfect opportunity to gain practical, hands-on experience in the field. He has gained knowledge about different products as well as the process of how they are applied to the field. He has enjoyed shadowing and learning from lots of different employees and learning their roles at Ag Partners.

Chase shares, “For those who might not think college is a career path for them, I would recommend exploring apprenticeships to get paid while you learn and gain direct hands-on training and experience that will relate directly to your future career.”

We are excited to welcome Chase to our team and the contributions he will bring to Ag Partners through his Custom Applicator Apprenticeship.



AG DAY AT THE K

As the proud Agricultural Cooperative Partner of the Kansas City Royals, we are excited to bring Ag Day at the K back for a second season on Monday, August 5, 2024.

With the help of our sponsors, we're giving away **free tickets!** Reserve yours through the link on our website at agpartnerscoop.com/about/ag-day-at-the-k If you can make it to the game early, come and join us in the parking lot for food, games and music ahead of the game, starting at 3:00pm!



ROYALS vs. RED SOX

August 5, 2024

Game Time: 7:10 p.m.

WE HOPE TO SEE YOU THERE!

Between the Rows

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Ag Partners News

Visit our website at
agpartnerscoop.com
Call Toll Free 1-877-336-6153

