

C MAGAZINE

Filling the Pipeline

Vital energy infrastructure powers rural America

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Loss Signs





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ON THE COVER: A complex network of pipelines delivers crude oil to refineries and finished products — gasoline, diesel fuel and propane — to terminals throughout the nation for delivery to retailers and customers.

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Jay Debertin, president and CEO, CHS

Energy Connections

When a system works as expected, it might be taken for granted — especially when many of its components are out of sight.

The CHS energy supply chain serving the cooperative system fits that description, with its intricate network of refineries, pipelines and terminals linked to a reliable distribution system that ensures you have the energy products you need during the busiest seasons.

As the largest U.S. cooperative refiner, we know a dependable supply of diesel fuel is critical to your business success. We take that need seriously. That's why we continue to maintain and upgrade our refineries in Laurel, Mont., and McPherson, Kan. The technologies we employ and the investments we make in our refineries help them operate safely and efficiently and are designed to produce the most diesel possible from every barrel of crude oil.

Applying that same dedication to safety and efficiency, our teams constantly monitor and maintain pipelines that move crude oil into our refineries and carry refined fuels and propane to terminals throughout rural America. We have expanded our pipeline capacity over the years to help move greater volumes more efficiently with minimal environmental impact.

Terminals — owned by CHS or operated by our business partners — provide supply stability amid peaks and valleys in demand. Because time has great value in our essential industry, we continue investing in strategic infrastructure such as added fuel storage at the Grand Forks, N.D., terminal and our new propane terminal in Yuma, Colo., so the marketers and retailers that deliver fuel and propane to you have more energy terminal options.

Our supply chain is built to deliver the energy you need to meet your business goals. It's another demonstration of our commitment to creating connections to empower agriculture.

Have a question or feedback for the CHS management team? Get in touch with us at feedback@chsinc.com.

FILLING THE *ENERGY PIPELINE*

By Megan Gosch

A vital network of pipelines keeps rural America connected to a reliable fuel supply.

When crude oil arrives at a refining facility, its long journey to power businesses and communities across America is just beginning.

After undergoing a complex series of chemical reactions at the refinery, the finished products — gasoline, diesel fuel and propane — will travel hundreds of miles to fuel terminals across the country, ensuring a

steady supply of refined fuels is available for delivery to the farmers, cooperatives, retailers and communities who depend on them.

A complex network of CHS pipelines spanning more than 2,000 miles makes it all possible.

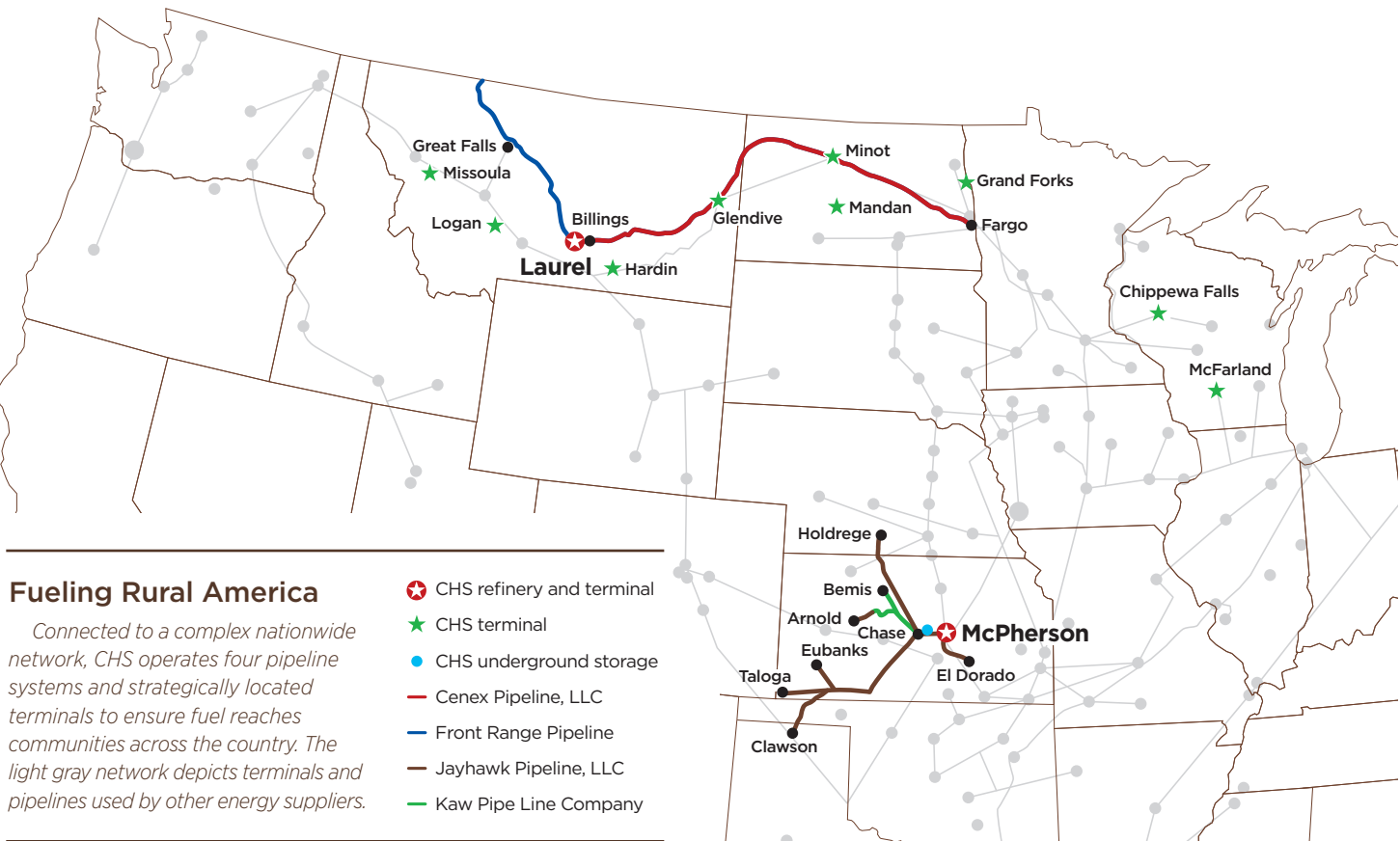
Key Connector

"Refineries are the heart of our energy production, and pipelines are the vital arteries that keep it

all in motion," says Greg Brown, vice president, pipelines and terminals at CHS.

"Without the pipeline system, crude oil isn't coming in and finished products aren't flowing out to reach the customers who rely on them."

While truck transportation and rail systems are key players in the energy supply chain, Brown says pipelines are critical to quickly, efficiently and safely keeping >



A team of engineers, welders and mechanics coordinates with the pipeline control room team to prepare pipelines for inspections, maintenance and repairs.



The rate and flow of crude oil and fuel through pipelines is managed by a CHS pipeline control room near the refinery.

> pace with fuel demand.

“Transportation alternatives move product more slowly, are less energy-efficient and come with much more potential for inherent risk,” Brown says.

Nearly 65,000 barrels of crude oil run through the CHS refinery in Laurel, Mont., each day, while the CHS refinery in McPherson, Kan., runs approximately 115,000 barrels per day. Together, these refineries process roughly 180,000 barrels of crude oil per day — a feat that would require offloading nearly 900 trucks or railcars at the refineries each day without access to pipelines.

“Pipelines are the safest and most efficient way to move energy products and they’re the best equipped to transport the volume of fuel we’re producing,” says Brown.

Complex Ecosystem

From Montana to North Dakota and from Nebraska to Texas, CHS pipelines transport more than

7,350,000 gallons of crude oil and 2,184,000 gallons of petroleum products per day through four key pipeline systems spanning six states across the western United States. The destination is more than 250 third-party terminals and storage facilities.

Behind the scenes, a team of CHS engineers, technicians and logistics experts keeps fuel products flowing safely and reliably.

“Moving a liquid product from point A to point B sounds simple, but it takes an entire ecosystem of specialists working in sync to keep the system running smoothly,” Brown says.

The process starts with refinery schedulers, who coordinate purchasing crude oil and determine when it will be delivered to the refinery via pipeline. Once the crude has been processed and refined into gasoline, diesel and propane, pipeline schedulers manage incoming bids from shippers, analyze storage levels and assign

delivery routes to ensure the correct volumes of fuel reach their intended destinations.

As routes are assigned and fuels are pumped through the pipeline web to terminals across the country, terminal operators coordinate truck deliveries to the fuel’s final destination, from retail wholesalers to storage tanks at cooperatives, farms and ranches.

As fuels travel through the pipeline system, the operations team monitors liquid flow rate, as well as performance at each station along the way, to ensure pumps are functioning correctly and product is moving as it should.

Throughout the year, engineers run tests to ensure pipeline performance meets federal and state compliance standards, while the maintenance team handles regular inspections along the pipeline system and makes necessary repairs.

“To keep fuel moving without disruption, teams need to work

together like a well-oiled machine,” says Brown. “Coordination across the full system is what keeps CHS owners and customers connected to a reliable fuel supply.”

Investing in Infrastructure

Regular pipeline maintenance and repair are vital to ensure crude oil and refined fuel products are delivered safely and reliably.

From internal inspections and analyses to excavations and pipe replacements, senior reliability engineer Matt Rinkenbaugh and the operations team use high-tech procedures to monitor CHS pipeline systems, upgrade existing infrastructure and prevent issues before they arise.

With the help of a pipeline inspection gauge — commonly known as a smart PIG — Rinkenbaugh and his team can see inside the pipeline. Smart PIGs can detect corrosion, metal loss, small cracks and

dents, and other threats to the pipeline’s integrity.

“As we inspect and make repairs, we also have an opportunity to invest in the infrastructure,” Rinkenbaugh says. “Most pipelines are made from carbon steel, but we’ve seen a lot of advancements in manufacturing and technology through the years. As we go in to complete a cutout or pipe replacement, we install materials that have been engineered to be less susceptible to integrity issues for safer operation.”

Rinkenbaugh notes CHS pipeline maintenance schedules are more stringent than federal and state regulations due to a focus on safety and reducing risk.

“Federal guidelines only set the strictest standards for select locations deemed to be high-consequence areas, which are usually near highly populated areas, drinking water or wildlife preserves,” Rinkenbaugh says. >

“At CHS, we treat each pipe as if it’s running directly through our owners’ yards.”

— Matt Rinkenbaugh



Play It Safe

More than 100 billion feet of underground utilities and enough pipeline to wrap around the equator 88 times lie under U.S. soil.

When starting any soil-related project, call the 811 Call Before You Dig line — a free service that helps locate and mark pipelines in your area — to keep you and your operation safe. Consider these tips before digging:

- **Any soil-related project deserves a call:** Whether you're building a waterway, digging fencepost holes or subsoiling, check with 811 before starting a project that breaks ground.

- **Each project is a fresh start:** Depth of pipelines and utility lines can change over time due to erosion, frost and thaw, and other ecological activities. Don't assume you know where utilities are located.

- **Depth isn't a disqualifier:** Many utilities are less than a foot underground. Better to be safe than sorry and call 811, even before small projects.

- **One call can save you time and money:** 811 is a free service and making a quick call can significantly reduce your potential liability for costly damages to your operation. All work to mark utilities is done by professional locators and covered by utility companies.

LEARN MORE: Call 811 or visit call811.com before you dig.

> “At CHS, we approach any territory our pipes touch as a high-consequence area and treat each pipe as if it's running directly through our owners' yards. An investment in infrastructure maintenance is an investment in their safety.”

Building Community Partners

CHS maintains close relationships with local first responders, industry associations and community organizations to share safety information, resources and training opportunities.

“Maintaining a strong working relationship with the communities our pipelines cross is critical, especially in an emergency,” says Enden Nelson, who leads public awareness

efforts for CHS pipelines.

“We're able to detect potential incidents and isolate sections of our pipeline remotely from our control rooms, but we operate a network that spans thousands of miles, so if an emergency occurs, local responders may be nearest to the scene. We work closely with community partners to ensure they're as prepared as our own team to respond when needed.”

The CHS pipelines team meets regularly with local emergency planning committees and works in tandem with state pipeline associations, circulates pipeline safety information to communities and landowners, and runs tabletop exercises and drills with community partners to practice emergency preparedness response strategies.

“The time to prepare for an emergency is not after it's happened,” says Jake Hover, a pipeline environmental engineer with CHS. “We invest in training for groups like local fire departments and local law enforcement so we know they're set up for success and we're all operating off the same playbook.”

Hover notes CHS training efforts are particularly impactful in rural communities, where local fire departments are often staffed by volunteers with high turnover rates.

“Sometimes the folks you've trained are gone in a year or two, so efforts to keep an open line of communication with community partners don't just build relationships, they also ensure our new partners stay up to speed.”

Designed to Deliver

The pipeline infrastructure will remain a critical asset in the energy supply chain for years to come.

“As a cooperative-run refinery, our focus is centered on meeting the needs of our owners and customers. Pipelines play a vital role in creating the connections that power producers and rural communities across America,” says Brown.

“The investments we're making today to maintain and protect our pipelines and the communities they are part of will allow us to deliver a steady, safe supply of fuel to our owners well into the future.” ■

LEARN MORE: Find pipelines near you at pvnpm.phmsa.dot.gov/PublicViewer.



Once processed, refined fuel products are shipped from the refinery via pipeline.



An ultrasonic smart PIG launched from Phillipsburg, Kan., will travel more than 100 miles at 1.5 miles per hour, gathering data from inside the pipeline, before it reaches its final destination at the CHS station in Chase, Kan.

Anatomy of a Smart PIG

Pipeline operators use pipeline inspection gauge tools — often referred to as smart PIGs — to track and understand what's happening inside the pipe.

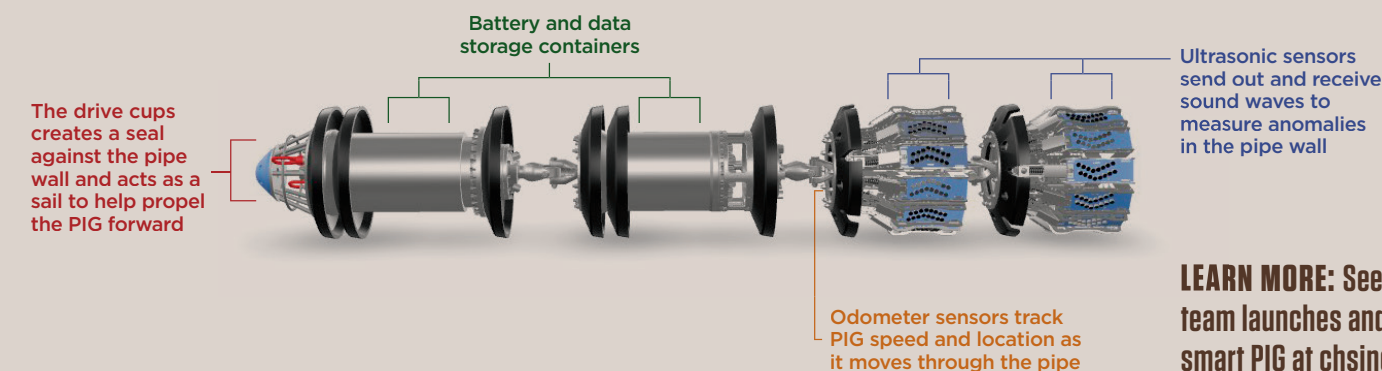
These computer-based systems can be used to clean out a pipe or locate potential obstructions within the pipe, while others use a variety of technologies to analyze the physical state of the pipe.

Magnetic flux leakage PIGs use magnets to detect potential metal loss and corrosion in the pipe. Caliper tools use finger-like features to detect possible dents in the pipe,

and ultrasonic inspection PIGs work like sonar to create and reflect sound waves in a pipe to detect possible cracks.

While PIGs travel through each pipe, they collect data that the CHS team analyzes to determine where maintenance and repairs may be needed and to flag potential safety risks.

“These high-tech tools are tracking and scanning as they go, allowing us to see through our steel pipes and catch issues before they happen,” says Matt Rinkenbaugh, senior reliability engineer for CHS.



LEARN MORE: See how the team launches and tracks a smart PIG at chsinc.com/c.

From left, Willem Vander Dussen and Aaron Ramirez, co-managers of Driftwood Dairy, Baltic, S.D., discuss feed needs with Cody Millar, a dairy business development specialist with CHS.



Dialing Up Dairy

Dairy herd growth is changing the South Dakota landscape.

By Matthew Wilde

A mountain of corn silage and a parade of trucks hauling milk from Driftwood Dairy are daily reminders to Willem Vander Dussen why his family moved their operation from California and Colorado to South Dakota.

“We saw the writing on the wall,” says Vander Dussen. “If we wanted to stay in the dairy business, it wasn’t going to be there.”

Vander Dussen’s parents, Daniel and Sophia, started milking cows near Orland, Calif., in 2002, carrying on a family tradition that started in the Netherlands four generations earlier. But stringent regulations, high feed and land costs, and water availability concerns cast doubt about the farm’s future, he says.

While still milking 3,200 Holsteins in northern California, the Vander Dussens leased a dairy farm from a family member near Greeley, Colo., in 2017 with hopes of relocating and building their own operation in that state. Vander Dussen says high operating costs and inability to secure a milk contract derailed those plans.

Then destiny struck. A dairy farmer from Baltic, S.D., contacted the Vander Dussens about purchasing his farm in 2019. The family jumped at the chance. Construction began in late 2019 on a 5,000-head dairy operation, which included a massive cross-ventilated freestall barn and a 106-cow rotary milking parlor. It became operational in 2021, selling milk to cheesemaker and dairy cooperative Agropur.

“For the same amount of capital we spent building the farm in South Dakota, we could have only built a 2,000-head dairy in Colorado,” says Vander Dussen, a CHS farmer-owner who manages Driftwood Dairy with his brother-in-law, Aaron Ramirez. “South Dakota is

pro agriculture and assists with getting construction and operating permits. In other states, starting a new operation feels like you’re swimming upstream.”

Ramirez adds, “We have a desire to grow and we’re in a state where that’s possible.”

Explosive Growth

South Dakota’s dairy industry is experiencing rapid growth, especially on the eastern edge of the state along Interstate 29. Milk cow numbers have more than doubled in the past decade to 215,000 head in December 2024, according to the U.S. Department of Agriculture (USDA).

That expansion is bucking the national trend. Total U.S. milk cow numbers have remained relatively stable over the past decade, totaling 9.35 million head in January 2025, USDA data shows. South Dakota accounts for about 2% of the national total.

“South Dakota is pro agriculture and assists with getting construction and operating permits.”

— Willem Vander Dussen

Tom Peterson, South Dakota Dairy Producers executive director, says the growth can be attributed to multiple factors. “About 20 years ago, South Dakota leaders and [industry] stakeholders came together with farmers and milk processors to develop a plan to not only ensure dairy industry survival in the state, but with aspirations of creating a dairy destination.”

Blessed with abundant feed and water resources, Peterson ➤

➤ says several milk processors and cheese manufacturers also indicated plans to expand. “The cows followed.”

A combination of existing farms expanding and dairy producers relocating to South Dakota from other states accounts for the growth, Peterson says. Dairies with 3,000 to 5,000 or more cows are now common.

Economic Opportunities

It takes a lot of feed to keep more than 200,000 cows productive, which has created opportunities for farmers, cooperatives and communities.

The dairy boom along the I-29 corridor stretches beyond South Dakota into northwest Iowa and northeast Nebraska, say Cody Millar and Rod Benson, dairy business development specialists with CHS.

Keeping up with industry growth, CHS has dramatically increased its dairy feed business. About three years ago, the

company helped feed fewer than 15,000 cows in the region. That number has ballooned to about 160,000 cows.

CHS feed mills in Corson, S.D.; Tracy, Minn.; and Norfolk, Neb.; are humming, making bulk and bagged feed for lactating, dry and close-up (about to calve) cows. Most of the feeds for large-scale dairies are formulated to each customer’s specifications and delivered in bulk. The company also supplies high-protein pellets, liquid feed and other feedstuffs.

“Dairy was an untapped market for CHS that is adding value for farmer-owners,” Millar says. “While other feed demand can be seasonal, dairy is year-round constant volume, which translates into a more sustainable and profitable business.”

The CHS grain location in Elkton, S.D., provides crushed corn to local dairies. Benson says strong demand required equipment upgrades to speed up processing of corn shipped in from other CHS locations.

“Most days, 25 semis leave the



Joel Ysselstein, left, general manager of Meadowvale Dairy, Rock Valley, Iowa, and Cody Millar, a dairy business development specialist with CHS, talk about dairy industry growth in the region.

Elkton plant with crushed corn for dairies.” Sustained demand for corn helps improve local basis levels, Benson adds.

“Local growers are profiting from us being here and providing a market for their crops,” Ramirez says.

Local Impact

The Jerseys and Holstein-Jersey crosses, often called HoJos, at

Driftwood Dairy each eat about 90 pounds of feed per day, which is purchased from local farmers and suppliers. Corn silage — 70,000 tons from 3,000 acres was chopped in 2024 — is the bulk of the ration, followed by haylage, crushed and high-moisture corn and other feedstuffs.

CHS supplies 50 tons of a fatty acid supplement per month to Driftwood to boost milk and milk fat production. It also supplies 100 to 150 tons of molasses per month, an energy source that binds feed ingredients to ensure all cows receive a consistent ration.

Meadowvale Dairy near Rock Valley, Iowa, milks 11,000 Holsteins and Jerseys. Joel Ysselstein, general manager, says his parents, Sierp and Natalie, started the dairy with about 300 cows in 1992. “We gradually grew, adding a barn every year as milk demand allowed.”

CHS supplies dairy feed mixes and crushed corn to the farm. While those ingredients make up less than 15% of the overall ration, the dairy buys about 100 tons and 500 tons, respectively, per week. Meadowvale Dairy’s goal is a whole-herd average of 95 pounds of milk per cow per day.

Dairy Delivers: South Dakota

- **\$5.67 billion economic impact**
- **15,000 jobs**
- **\$56.9 million exports**
- **11% gross domestic product contribution**
- **\$80.7 million state taxes paid**

Source: International Dairy Foods Association, 2023

“The importance of working with any feed mill and supplier is getting high-quality ingredients at an affordable price,” Ysselstein says. “Working with a cooperative the size of CHS provides stability, economies of scale and great service. Working with Cody and Rod, I know I will never have to worry about running out of products and that matters.

“CHS is supporting us the way we need it to,” Ysselstein says.

Cooperative Effort

The cooperative model and collaboration by the CHS animal nutrition team have helped grow the company’s gross dairy sales by 30%.

“There’s a lot of competition for dairy feed,” Millar says. “The farmer-owners I work with like having a voice in how we do things and sharing in the profits. CHS has built a reputation as a reliable, competitive supplier, so farmers are calling us [for feed bids].”

Feed mix formulas can vary greatly, depending on the production goals and needs of each herd. Millar and Benson, along with Brandi Gednalske, a research and development animal nutrition specialist with CHS, and CHS feed mill managers work together to fulfill customer needs.

“The nutritionists give us a formula for a lactating feed mix and I plug the ingredients into our system to see what we have in stock or what could be substituted if they’re open to it,” Gednalske says. “I’m the extra set of eyes to ensure cows get affordable, high-quality feed. When a cow is producing 100-plus pounds of milk a day, she is

working her tail off, so the more we can do to keep her healthy, the better.”

Kent Corbin, manager of the CHS feed mill in Corson, says hundreds of ingredients are available in the dairy feed market and the right mix varies by herd needs and nutritionist preferences.

“Part of our job is to make sure we have as many options available as possible so we can best serve our customers. The nutritionist, farmer, sales team, formulation expert and I all work together to figure out the best approach.” ■

LEARN MORE: Watch a video about Driftwood Dairy at chsinc.com/c.

Cows are milked in a 106-stall rotary milking parlor at Driftwood Dairy, near Baltic, S.D. A cow exits or enters the carousel every 4 seconds.



Focusing on Feed

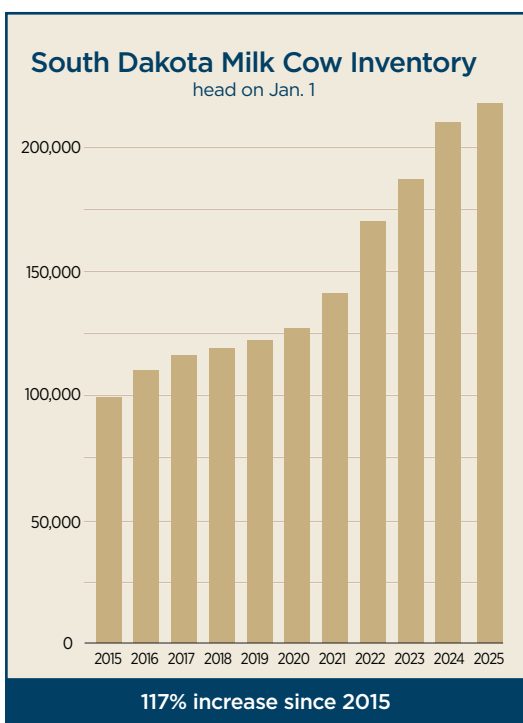
Animal nutrition expertise and capabilities are growing at CHS. A full line of Payback® feeds serves herds and flocks of all sizes and the premium line of Equis® feeds is a favorite among horse owners.

Offered through an extensive dealer network, Payback feeds contain high-quality ingredients geared to improve animal health, performance and production. Versatility and variety set the brand apart, says Ken Bryan, who leads animal nutrition product development for CHS.

In addition to bulk feeds for dairy, beef and swine operations, “We manufacture bagged feeds for a wide spectrum of animals from chickens, goats, sheep and pigs to cattle and more,” Bryan says. “Our bagged products can meet the needs of livestock producers, as well as what we call the lifestyle segment, who buy a few bags at a time.”

Expanding in the lifestyle feed segment is good for CHS owners, since it is less prone to economic downturns, Bryan contends, noting the popularity of backyard chicken flocks. “It’s a stable segment with room for growth.”

LEARN MORE: Find the full line of Payback products at paybacknutrition.com.



Source: USDA-NASS

Reaching Up

Tender, bright green shoots are a welcome sign of a new growing season. Spring brings optimism for the developing crop and opportunities for continuous improvement, whether that be testing a new approach or confirming last season's good idea delivers the same positive results.

While every season is different, the dependable cycle from seed to harvest is a constant reminder of agriculture's vital role and a tribute to the people who make the industry strong.

— Cynthia Clanton

NEW PROPANE PARADIGM

By Peg Zenk



Broadening global propane markets requires supply strategy shifts.

Mike Ende, energy risk management manager for Agfinity Cooperative, tracks global propane market conditions to help his customers plan for their supply and storage needs.

Winter weather forecasts and expected crop drying needs used to be the biggest factors Mike Ende watched to develop propane supply plans for Agfinity Cooperative, based in Eaton, Colo. Now he also tracks global news and U.S. export volumes to craft his propane buying strategies.

“These days, it’s almost as important to know what’s happening across the globe as it is to know what’s happening here locally,” says the co-op’s head of energy risk management. “A

day’s headlines can sometimes impact the propane market. With all the market unknowns we face, it’s reassuring to have a trusted propane supply partner like CHS.”

U.S. propane production is now being exported around the world at record volumes and that has changed the supply landscape, Ende says. “We can’t always rely on traditional source points.”

As a result, Agfinity continues to look at all options for propane supply and helps customers hedge their purchases. “Working with CHS and the expertise and resources it offers has helped us

more efficiently manage supply so our staff can focus on safe, effective and efficient propane operations that meet and exceed member and customer expectations,” adds Ende.

Broader Sourcing Options

Agfinity had a history of drawing most of its propane from several local production plants. “However, over the last five to 10 years, the local supply market has changed, so we had to grow our portfolio of how and where

we source propane, and CHS has helped with that,” says Ende.

“Five years ago, we started to expand our rail capacity. Over the last several years, Agfinity has continued to increase the number of propane cars we purchase from CHS and bring to our Lucerne, Colo., facility.

“Overall propane supply has always been net short from local sources in this part of Colorado and we have at times had to bring in volume from the Conway, Kan., hub or the CHS Yuma [Colo.] terminal,” says Ende. “Our increased rail capacity

has allowed us to work through CHS to bring in more gallons by rail. Changing market conditions are always front of mind for us. They illustrate the value of having more sourcing options to maintain a stable supply.

“Using the CHS online supply planning and inventory management system, we can track the history of gallons we moved with CHS by year, month and source location. That helps us plan for the next season.”

Having adequate storage, both at cooperative and customer locations, is also an important tool in managing both supply and price risk, says Ende. “It’s a huge advantage when the supply system is stressed, which we’ve seen more often in recent years. We regularly evaluate the amount and location of our storage plants and constantly evaluate delivery routes to make us more efficient.”

Making sure customers have enough storage is important, says Ende. “If a customer has a high-usage 500-gallon tank, it may be more efficient to replace it with a 1,000-gallon tank. We regularly help customers crunch numbers and look for cost savings.”

Full Tanks, Fixed Pricing

For Russ Moss, owner-operator of Rusco Land and Cattle near Ault, Colo., service is still a key factor in choosing an input supplier. He and members of his family-run cattle ranch and feedlots work with Agfinity staff for their agronomy, petroleum and some feed supplement needs.

“The people who work at Agfinity are very good at what they do. When it comes to propane, I can depend on them to keep my tanks full and my costs manageable.”

That wasn’t always the case,

he says, recalling an episode 10 years ago when a tank ran out of propane over the Thanksgiving weekend. “I took my business elsewhere for a while, but after changes at the cooperative, they won back our business.”

“With all the market unknowns we face, it’s reassuring to have a trusted propane supply partner like CHS.”

— Mike Ende

Moss, his son William and daughter-in-law Maddi, daughter Sara and son-in-law Steven Babb, and several long-time employees rely on propane to heat their homes and two farm shops. As

with all Agfinity commercial and ag customers, the tanks are fitted with monitors to ensure they never run dry. Customers can use a smartphone app to track propane levels.

To help manage propane price risk, the Agfinity energy staff encourages customers to use fixed-price contracts. “Nearly all our commercial and ag customers use them and they’ve proven to be a good hedge against price spikes,” says Amanda Weisberg, Agfinity energy sales manager.

Last year, Moss saw the value of such a contract firsthand. “I locked in propane at a fixed price with Agfinity, but at a ranch we operate in Wyoming, we were buying propane as needed without a contract from another supplier and we ended up paying 45 to 65 cents more per gallon than our fixed-price contract with Agfinity.”

Getting valuable advice and dependable service from familiar faces is important to Moss, who

has started to hand over many operational responsibilities to family members. “Working with good people is key to our business, especially during challenging times; it’s why we like to work with the cooperative.” ■

LEARN MORE: To prepare your operation for your propane needs, talk to your local cooperative energy expert about fixed-price contracts and supply planning.



To ensure customers like the Moss family never run low on propane, Agfinity outfits all tanks with monitoring technology. Pictured from left are Maddi, William and Leland Moss; Rachel, Connie and Russ Moss; and Noah, Sara, Olivia, Parker and Steven Babb.

5 Factors Driving Propane Market Volatility

Over the last decade, U.S. propane production has more than doubled, but those additional gallons aren't staying in the United States. Propane exports are on the rise, and Midwest suppliers have been investing in new pipeline infrastructure to expand their export options and achieve more consistent demand throughout the year.

For U.S. customers, the global propane market is changing how and when they buy, often requiring earlier commitments to secure adequate supplies and protect against price risk.

"U.S. propane production continues to grow at a healthy pace and was up by about 4.5% in 2024 over the previous year," says Tyler Kelly, director of propane trading at CHS. "It's projected to increase by another 3.5% in 2025. At the same time, global demand and U.S. exports are expected to grow."

With as much as two-thirds of U.S. propane production now being exported, there will be less domestic supply if commitments aren't in place. "While CHS prioritizes owner and customer needs and rarely exports propane, propane producers are selling their product into the most profitable markets," says Kelly. "That's why it's more important than ever for retailers and their customers to have a sound supply plan in place and to evaluate additional storage needs to help hedge against price and supply risk."

Both types of risk have taken on new meaning in recent years, notes Travis Dunham, director of propane supply at CHS. "There are plenty of global unknowns and domestic factors that could impact export demand in the year ahead, including inflation, new developments in the Middle East and Ukraine conflicts and tariffs on U.S. imports."

Dunham and Kelly point to five propane market trends as indicators export markets will see continued strength in the coming years.

1 U.S. production has doubled in the past decade, but domestic demand has flattened.

U.S. propane production has been on a steady increase since 2012, when the industry produced 1.25 million barrels per day (bpd). In 2024, the U.S. more than doubled that volume, reaching 2.65 million bpd. Over the same period, domestic demand has remained stagnant.

2 In 2024, 65% of U.S. propane production was exported.

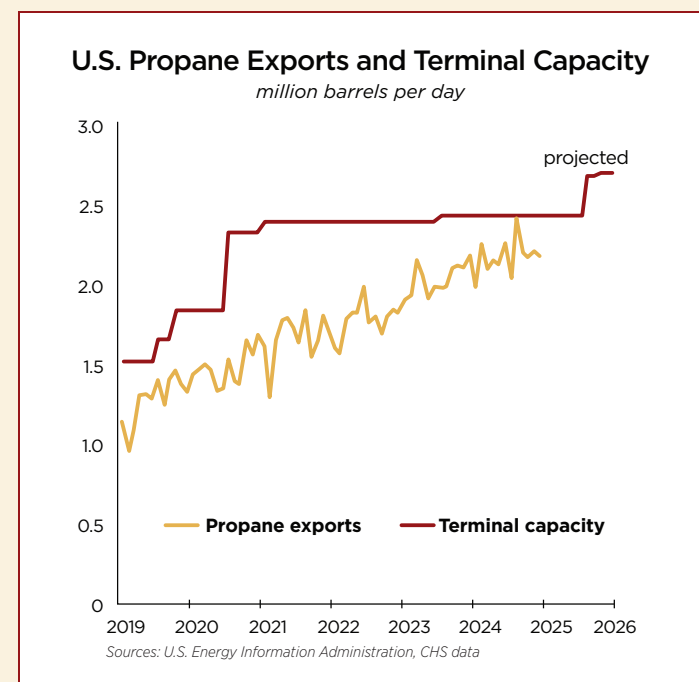
Thanks to major investments in propane infrastructure over the past five years, including new pipelines and export terminals, U.S. exports have jumped from an average of 1.35 million bpd in 2022 to 1.75 million bpd in 2024. In 2021, after the first major phase of infrastructure expansion occurred, exports averaged 52% of total U.S. production. By 2024, that number had increased to 65%.

3 New pipelines provide export access to the Midwest.

Initial growth in U.S. liquid petroleum gas (LPG) exports came primarily from Gulf Coast producers, but interregional pipeline projects are now connecting parts of the Midwest with hubs at Conway, Kan., and Mont Belvieu, Texas. "Producers as far north as the Bakken oil fields in North Dakota now have more marketing options, including exporting," says Dunham. "Midwest retailers and their customers can no longer assume access to regionally produced propane supply."

4 U.S. exports have nearly reached capacity of the current infrastructure.

In the short term, propane exports are constrained by capacity limitations, but several major export infrastructure expansions are in the works. When completed later this year and in 2026, three Gulf Coast projects will increase export capacity by 30%.



5 China's demand already outpaces U.S. demand.

The world's fastest-growing propane demand is in China, where new propane dehydrogenation (PDH) plants continue to meet the nation's (and world's) increased demand for plastics. Propane demand from China's PDH sector now exceeds total U.S. demand from residential, commercial and agricultural uses combined.



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PULSE OF THE FUTURE

Young cooperative leaders share their perspectives.

By Cynthia Clanton

Each year, young leaders from across the cooperative system gather at the CHS New Leaders Forum (NLF) to learn about cooperative ownership, make connections with other young farmers and ranchers and share their perspectives. Here, we check in with four NLF alums.



From left, Bjorn, Michelle, Craig and Cullen Baxter check on equipment at their southern Minnesota farm.

“The future of agriculture is autonomy — being able to be more precise in how you plant, where you plant and gathering that data. Within the next five to 10 years, I see us implementing larger drone and autonomous vehicle technology. Huge changes are coming to agriculture and our farm is already preparing for them.”

“I’m a double-skip-generation farmer. I didn’t have experience with co-ops in my past jobs, so seeing the importance of grassroots leadership and knowing I have a say in how the business operates is impressive. The farmer down the road is a partner in making the co-op successful and the co-op is a partner with us, not just a business trying to extract money from us.”

Craig Baxter
Waseca, Minn.
Crystal Valley Cooperative member
2022 NLF attendee

“I’m a big relationship person. I like knowing who I’m doing business with. Everybody is here to support each other. We just want to help each other to the best of our ability and we want to see everyone succeed.”

“I’ve always had a passion for showing people what we do. They’re so many generations disconnected from the farm that most people don’t know what we do out here. With social media, you can have a connection with someone overseas or several states away. It opens up new communications avenues.”

Jacob Runge
St. James, Minn.
Central Farm Service (CFS) member
2024 NLF attendee



Tyler Fischer
Gettysburg, S.D.
CHS River Plains member
and producer board chair
2017 NLF attendee

“Rain is our No. 1 limiting factor here, so we’ve got to use every drop of moisture the best we can. Placement of nutrients and seed is one of the biggest advantages, coupled with seed genetics, that have allowed us to push our yields.”

“Access to seed and fertilizer and a grain market — and the expertise necessary to do the best job you can on your fields — we can’t do that without co-ops.”

We need the co-op team to provide expertise with, “This is what we’re seeing; this is what we’re having luck with on other farms.”

“Being on the board at my co-op has given me a chance to see the bigger picture, touring facilities and meeting other co-op members. I love seeing how everything comes together. That’s how value is created.”





LEARN MORE: Find video profiles of these young leaders at chsinc.com/c.

“To me, agriculture is family and that includes the co-op. My relationship with the co-op is lifelong, from supporting me as a high-schooler trying to earn money for college with a part-time job on the scale to being there for my family during harvest and planting times and helping us with various technologies. The co-op team is learning along with us and we appreciate that.”

“In agriculture, farmers continue to make changes and as the farm changes, the co-op has to change. With technology advancements and all the information we have at our fingertips, we will always need a boots-on-the-ground approach to help us navigate the changes. That’s what the co-op is here for.”

Amanda Hands
Garden City, Kan.
Garden City Cooperative member
and board member
2024 NLF attendee

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Silent Struggle

By Zoey Schentzel

Daily tasks with loud noises can lead to hearing loss.

For many farmers, the sounds they hear daily may be slowly fading away. Lessons learned by their peers reveal preventive measures are frequently overlooked and by the time hearing loss is

recognized, it is often too late to reverse the damage.

Hearing impairment is a real concern in agricultural communities, where constant exposure to loud equipment and animal noises takes a toll. One-third of U.S. farmers experience some hearing loss, according to the Kentucky Commission on the Deaf and Hard of Hearing.

Connected to Health

Hearing loss is connected to overall health and well-being, says Sandra Harris, an industrial hygienist at Nationwide, a leading ag insurer. “Poor communication caused by impaired hearing in work settings can lead to safety issues and is associated with an increased risk of falls and other accidents.” She adds preventive measures and early intervention are important to slow hearing loss and maintain overall health.

Sisters Alyssa, left, and Lauren Roling, FFA members from Salem, S.D., identified a gap between experiencing hearing loss and willingness to admit to compromised hearing among ag professionals.

The risks caught the attention of Lauren and Alyssa Roling, McCook Central FFA members from Salem, S.D., who conducted research on hearing involving 39 ag professionals. Their research revealed 65% of the participants in their study had mild to severe hearing loss. Nearly 75% of the participants reported they are exposed to agricultural noise, but do not wear hearing protection.

The Rolings have seen firsthand how agriculture impacts hearing ability. Their grandfathers have hearing loss and, while not as severe, their father and brother also experience difficulties with reduced hearing quality.

“We’ve watched our grandfathers struggle with hearing loss and have seen how it’s a challenge for them, trying to hear or read people’s lips,” says high school senior Lauren Roling.

“We saw a big gap in hearing loss in agriculture. We wanted to determine how we can help people in agriculture evaluate their hearing and encourage protection.”

‘We Didn’t Know Better’

With nearly six decades of farming experience, Vern Rafert admits to experiencing the



Vern Rafert, who farms near Holyoke, Colo., advises other farmers to take action if they detect hearing decline.

challenges and disadvantages of noise-induced hearing loss. The Holyoke, Colo., farmer says he has been surrounded by agriculture his entire life, but like many of his generation, hearing protection wasn’t part of the daily routine.

“We didn’t know any better — no adults were doing it, so we didn’t either,” he says. “We had cabless tractors and the only thing we did was stuff cotton in our ears.” Rafert also served in the Army for two years, where he was exposed to explosions, but had no hearing protection.

As the years went on, his hearing declined. “It’s gotten worse the last couple of years,” Rafert says. “I’ve tried multiple hearing aids and spent a lot of money trying different solutions, but nothing helped. Now I’m getting cochlear implants.” Cochlear implants bypass the damaged part of the ear and directly stimulate the auditory nerve.

Accepted as Normal

Hearing loss can be easy to ignore because it happens gradually and is not visually apparent, says Harris. Hearing loss results from repeated exposure to loud noises, she explains. The effects of

overstimulation build each day, so hearing loss may not be noticeable until it’s too late.

The perception that hearing loss is a normal part of aging or the job may also contribute to not seeking help when sounds start to fade, Harris adds.

While actions can be taken to slow or prevent hearing loss, the impact of hearing loss cannot be reversed. Looking back,

Rafert says he now knows how important it is to take hearing loss seriously.

“If you think your hearing is going, don’t just brush it off — go see a doctor,” Rafert says. “I put it off for a long time, but once you lose it, it’s gone. A doctor can help you figure out what’s best for you before it gets worse.”

The Roling sisters’ FFA project made a lasting impression on Lauren Roling, who says the time spent researching and learning from an audiologist has inspired her to consider a career in audiology. “I am so happy this work has sparked an interest in me. Hearing is something I’m really passionate about.” ■

Early Signs of Hearing Loss

Sandra Harris, an industrial hygienist at insurance provider Nationwide, recommends being proactive about hearing health by identifying the following early signs of hearing loss and seeking medical advice if hearing is impaired.

- **Difficulty hearing conversations:** An early sign of noise-induced hearing loss (NIHL) is difficulty understanding speech, especially in noisy environments. You may find yourself frequently asking others to repeat themselves.
- **Tinnitus:** A ringing, buzzing or hissing sound in the ears not caused by an external source signals compromised hearing.
- **Muffled hearing:** Sounds may seem muffled or less clear than usual, making it difficult to hear high-pitched sounds or distinguish between similar-sounding words.
- **Increased sensitivity to noise:** You may become more sensitive to everyday sounds, finding them uncomfortably loud or even painful.
- **Difficulty hearing high-frequency sounds:** NIHL often affects ability to hear high-frequency sounds, such as birds chirping or children’s voices.
- **Feeling of fullness in the ears:** You may have a sensation of fullness or pressure in your ears, similar to the feeling of losing altitude in an airplane.
- **Avoiding situations** Making excuses to avoid locations that require hearing and understanding words, such as restaurants or loud gatherings, is a sign of hearing decline.

Tips to Prevent Hearing Loss

- Use hearing protection, such as earplugs or earmuffs, when exposed to loud noises.
- Ensure hearing protection devices fit properly. Fit testing evaluates noise reduction and ensures proper fit for sufficient protection.
- Limit exposure to loud noises and take regular breaks to give ears a rest. Overnight recovery is best.
- Maintain equipment to reduce noise levels.
- Educate workers about the risks of hearing loss and importance of hearing protection.
- Regularly monitor hearing health through audiometric testing and seek early intervention if hearing loss is detected.

Source: Nationwide

Abigail Rogers contributed to this story.

LEARN MORE: Find details about ag-related hearing loss risks at the Great Plains Center for Agricultural Health.

CHS REPORTS SECOND QUARTER FISCAL YEAR 2025 RESULTS

CHS Inc. reported a net loss of \$75.8 million and revenues of \$7.8 billion for the second quarter of fiscal year 2025, which ended Feb. 28, 2025. The results compare with net income of \$170.3 million and revenues of \$9.1 billion in the second quarter of fiscal year 2024. For the first six months of fiscal year 2025, the company reported net income of \$169 million and revenues of \$17.1 billion compared to net income of \$693.2 million and revenues of \$20.5 billion in the first half of fiscal year 2024.

Key highlights for second quarter fiscal year 2025 financial results:

- Despite strong volumes, Energy segment earnings declined substantially from the prior fiscal year due to evolving market conditions that negatively impacted refining margins.

- Ag segment earnings were weaker due to lower grain and oilseed margins, attributed to a more competitive global marketplace and the timing impact of mark-to-market adjustments.

- Equity method investments continued to perform well, with CF Nitrogen being the largest contributor.

“CHS remains focused on operational excellence and enhancing efficiency as we navigate this time of softer commodity markets, policy uncertainty and volatility. I commend our employees around the world for their commitment to strong

execution in this challenging environment,” says Jay Debertin, president and CEO. “While margin and pricing pressure on ag and energy product categories continues, our sales volumes remain strong. We are well positioned to help meet our owners’ spring planting needs with inputs, services and local expertise.”

Energy

A pretax loss of \$83.5 million for the second quarter of fiscal year 2025 represents a \$135.0 million decrease versus the prior year period and reflects:

- Less favorable market conditions, including the impact of higher U.S.

refinery capacity utilization and global supply and demand factors

- A decrease in propane margins, mostly attributable to hedging-related impacts

Ag

A pretax loss of \$45.6 million represents a \$102.4 million decrease versus the prior year period and reflects:

- Decreased margins for the grain and oilseed product category, primarily due to the timing impact of mark-to-market adjustments, as well as global market conditions
- A higher global supply of canola and soybean meal

and oil, resulting in weaker oilseed crush margins compared to the prior fiscal year

Nitrogen Production

Pretax earnings of \$20.3 million represent a \$16.7 million decrease versus the prior year period, primarily due to the unfavorable impact of increased natural gas costs.

Corporate and Other

Pretax earnings of \$24.0 million represent a \$16.3 million decrease versus the prior year period, mostly reflecting lower income from the company’s equity investment in Ventura Foods, which experienced less favorable market conditions for oil-based food products.

CHS INC. EARNINGS* BY SEGMENT (in thousands \$)

	Three Months Ended		Six Months Ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Energy	\$(83,469)	\$51,579	\$(63,708)	\$318,414
Ag	(45,552)	56,851	121,100	226,571
Nitrogen Production	20,344	37,009	45,585	73,468
Corporate and Other	23,965	40,219	71,146	84,051
(Loss) income before income taxes	(84,712)	185,658	174,125	702,502
Income tax (benefit) expense	(8,709)	15,325	4,535	8,803
Net (loss) income	(76,003)	170,333	169,590	693,701
Net (loss) attributable to noncontrolling interests	(249)	26	554	471
Net (loss) income attributable to CHS Inc.	\$(75,754)	\$170,307	\$169,036	\$693,230

*Earnings is defined as income (loss) before income taxes.

CHS RECOGNIZED AS ONE OF WORLD’S MOST ETHICAL COMPANIES



CHS has been recognized as one of the World’s Most Ethical Companies® by Ethisphere, a global leader in defining and advancing the standards of ethical business practices.

This is the first time CHS has been recognized and the company is one of only nine honorees in the food, beverage and agriculture category. In 2025, 136 honorees were recognized spanning 19 countries and 44 industries.

“This recognition reinforces our commitment to working with integrity and conducting business in an ethical manner,” says Jay Debertin, president and CEO. “I am proud of every one of our employees who made this possible by bringing our core value of integrity to life every day through their interactions with our owners, customers and communities.”

COOPERATIVE MINDS: LEARNING RESOURCE BUILDS AG AWARENESS

The CHS Foundation and Discovery Education are partnering on Cooperative Minds, which provides free activities and guides for students and teachers that introduce farming concepts and ag careers.

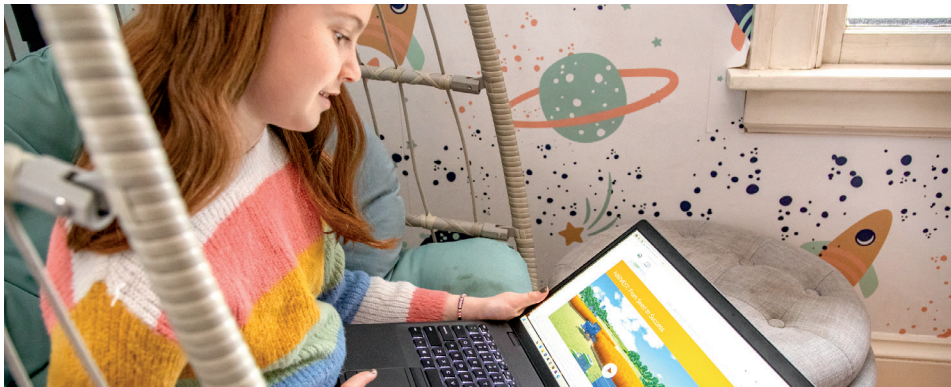
Cooperative Minds is a free interactive learning portal designed to help students in grades six through 12 understand the cooperative business model, farming and agricultural career options. The portal includes a virtual farm field trip and an interactive game where students become virtual farmers and learn what’s involved in growing a crop from seed to harvest.

“We want students to understand the

agricultural cooperative business model because they are future co-op community members, patrons, farmers and employees,” says Tera Stoddard, a senior specialist with the CHS stewardship team, which works with the CHS Foundation and CHS community giving.

“We encourage cooperative owners to share these accessible, easy-to-use resources and educator guides with teachers and students in their communities.”

Cooperative Minds is available at no cost to teachers and students. Find student activities and educator guides at cooperative-minds.com.



Cooperative Minds activities include an interactive game that lets students become virtual farmers to learn what’s involved in growing a crop from seed to harvest.

CHS OWNERS FORUMS SET

Plan now to attend an in-person or virtual CHS owners forum in July and August 2025.

At each forum, CHS management leaders will provide business and financial updates and members of the CHS Board of Directors will share updates on Board initiatives, including addition of a nominating committee of CHS members to recommend candidates for the CHS Board.

Each in-person forum will include time for networking and owner input and will conclude with lunch.

The following forum dates and locations are planned.

- July 18: Mankato, Minn.
- July 22: Fargo, N.D.
- July 29: McPherson, Kan.
- July 30: Ankeny, Iowa
- July 31: Madison, Wis.
- Aug. 4: Minot, N.D.
- Aug. 5: Mitchell, S.D.
- Aug. 6: Kearney, Neb.
- Aug. 8: Virtual forum

Learn more and register through the link found at chsinc.com/owner-events.

GET MORE: Sign up to receive CHS news at chsinc.com/about-us#news.

FROM FIELD TO FILM

“If I don’t take care of the dirt, it won’t take care of me.” For Shawn Feikema, agriculture isn’t just a way of life — it is life itself. “Soil is far more complex than we realize, and its ability to grow the food that feeds the world is truly remarkable.”

Feikema is a third-generation farmer and producer board member at the CHS ag retail business unit based in Brandon, S.D. His family farm near Luverne, Minn., faced a turning point in 2014 when torrential rains led to severe soil erosion, crop loss and financial hardship. Seizing the moment, the Feikema family transformed their farming practices, embracing strip-till, no-till and cover crops.

Their efforts paid off. In 2024, their journey was featured in “From the Heartland,” a documentary available on YouTube. The film captures the family’s history and the transformative power of regenerative agriculture.

For Feikema, the film was a chance to educate viewers unfamiliar with farm life. “I want people to see that while farming has become more sophisticated, it’s still about family,” he says. “My kids work alongside us; our livelihood and family are sustained by the land. When we improve the land, we uplift our family farm and our community.”

— Natalie Wagner

LEARN MORE: Hear more about Shawn Feikema’s experiences with advocacy in an episode of *It Takes a Co-op* at chsinc.com/podcasts.



Shawn Feikema and his family, who farm near Luverne, Minn., are featured in a documentary about their sustainable farming journey.



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Improving Germination and Seedling Resiliency

Seeds are often planted into hostile environments. Cold, wet or dry spring weather can delay germination and hurt seedling vigor.

Combining frequently used planting aids with advanced ingredients can help mitigate those risks. Abivium™, a new seed fluency product from CHS, contains

biostimulants and micronutrients to improve planting efficiency, bolster plant health and protect seedlings from harsh conditions.

Interest in biostimulants to boost crop yields is strong, says Steve Carlsen, director of proprietary products with CHS, and Abivium “checks all the boxes” to satisfy

demand for an effective, easy-to-use and affordable biostimulant.

“Mitigating bad days during early crop development is where Abivium really shines.”

The product contains talc and graphite to improve seed flow and planting accuracy by reducing seed bridging and static electricity,

plus metabolites and antioxidants, which enhance plant cell activity, and eight micronutrients.

Abivium is labeled for application directly onto more than a dozen types of seed, including corn, soybeans and wheat. “Simply sprinkle it over seed — it can’t get much easier,” says Carlsen.

— Matthew Wilde