

C

MAGAZINE

Rural Roots

Working together to strengthen communities



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Crop Demand
Goes to the Dogs

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Managing Risk:
It Takes Two

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Is That
Bin Safe?



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Giving for Good

Farmers, ranchers and cooperatives share time and talents to support their communities.

ON THE COVER: Several River Valley Cooperative employees, including Agronomy Account Manager Chris Brooks, volunteer on their local firefighting brigades.

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SUMMER 2020

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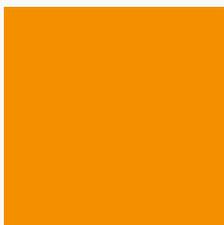
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Jay Debertin, president and CEO, CHS

Strengthening Our Communities

Volunteers are the heart and soul of rural America. Generations of farm and ranch families have contributed their time, resources and energy to helping others and building their communities. That cooperative spirit is woven into the fabric of our country and the cooperative system.

In this issue, you'll read about cooperative owners and employees who saw needs in their communities and applied their individual talents and personal passions to meet those needs. Their stories are inspiring, but they're not unusual. Every day in every community, people are filling food shelves, sharing their love of agriculture with others, addressing health care needs and more as they care for friends and neighbors.

In fact, you are likely one of the many people who are making a difference in rural communities. Thank you. Everything you do helps ensure agriculture will continue to be a rewarding, valuable industry for future generations.

At CHS, we look for ways to assist local cooperatives and our farmer-owners as they support their communities. We hope you'll take advantage of our Seeds for Stewardship program, which provides matching grants to cooperatives for projects that strengthen communities. You can learn more at chsinc.com/stewardship.

While volunteering builds communities, it also feels good. The personal benefits of helping others are well documented and welcome in these uncertain times. Please remember to take time for yourself and your own well-being, even as you care for others.

Thank you for all you do to support your community and your cooperative. Best wishes to you and your families. Stay safe and take care.

A handwritten signature in black ink that reads "Jay D. Debertin". The signature is written in a cursive, slightly slanted style.

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

GIVING FOR GOOD

A person wearing a grey, textured long-sleeved shirt is shown from the chest down, working on a brown leather saddle. The saddle is the central focus, with a dark, folded piece of fabric or a bag resting on top of it. The background is a blurred workshop or barn with wooden beams and various tools hanging on the walls. The lighting is warm and focused on the person and the saddle.

Rancher Koy Holland helps enrich his Montana community and champions equestrian causes.



By Sarah Haugen

Cooperative spirit is alive and well in rural America

There's unmistakable pride in Colorado wheat farmer Brian Starkebaum's voice as he talks about his town of Haxtun, a no-stoplight community of about 1,000 in the northeast corner of the state. Starkebaum describes how residents banded together when a storm ripped through the town, devastating homes and businesses.

"Everybody was involved, and nobody asked for recognition," he says of the cleanup efforts. "The people here bend over backwards to help each other out. I wouldn't live anywhere except small-town America."

That sentiment is shared across communities in rural America — communities that rely on the goodwill of their people, including farmers, ranchers and cooperative employees, to keep them strong and vibrant. From farmers who donate crops to local food banks to the Minnesota cooperative that recently held a last-minute cookout to welcome and care for National Guard troops, cooperative spirit shines bright in communities across rural America. >

> Why Get Involved?

The personal benefits of volunteering are endless, from improving mood to reducing stress and providing a sense of purpose, according to the Mayo Clinic. Volunteering is often credited with helping people manage chronic illnesses and regular volunteers are more likely to be in good health than those who don't volunteer.

But it's community benefits that drive Koy Holland, a rancher in Dillon, Mont., to devote countless hours to giving back. As a member of his local school board, a wrestling referee, a 4-H mentor and a founding member of the University of Montana Western equine program, Holland devotes his time to those organizations and others that can help the next generation.

"Someone once told me there are givers in this world and takers. I reckon myself a giver," says the father of three. "I want to spend >

Celebrating What Makes Communities Special

In 2019, the Cenex® brand launched a unique grant program by asking Cenex branded dealers what makes their hometowns special. CHS offered to make \$5,000 community contributions to support those events, traditions and organizations. As of summer 2020, the program has donated \$200,000 to rural communities in 11 states. To learn more about how Cenex is celebrating towns and traditions across America, visit cenex.com.



When dairy demand shrank due to COVID-19, Amber Dwyer, right, of Synergy Cooperative helped find creative solutions for Wisconsin dairy farmers' milk.

CHEESE FOR GOOD

In March 2020, as the COVID-19 pandemic closed schools and restaurants across the country, demand for milk shrank and milk prices plummeted. By May, Dairy Farmers of America estimated that farmers were dumping 3.7 million gallons of milk every day.

The news hit close to home for Amber Dwyer. As marketing and special projects specialist at Synergy Cooperative in Ridgeland, Wis., she interacts every day with the co-op's dairy farmer-owners. "We always have the farmers' best interests in mind," Dwyer says. "We wanted to figure out the best way to make an impact for our owners during this hard time."

The idea: Cheese for a Greater Good. "If we could pull cheese from local dairy co-ops," says Dwyer, "the farmers that we also service wouldn't have to dump milk."

Dwyer connected with Kristin Huset, the Ridgeland village clerk. Huset helped Synergy buy the cheese tax-exempt from Ellsworth Cooperative Creamery and Burnett Dairy Cooperative, then Synergy employee volunteers distributed the cheese to local food pantries and schools.

Most of the cheese went to Feed My People Food Bank in Eau Claire, Wis., which distributes food to local food banks. Cheese was also donated to the Chetek-Weyerhaeuser school district. More than 3,000 pounds of cheese curds and 7,500 pounds of shredded mozzarella were donated to help residents in 14 Wisconsin counties.

Synergy Cooperative owners, many of whom also do business with local creameries, are used to their products going to schools, as the National School Lunch Program is the largest buyer of milk. "Our farmers were happy knowing their dairy products were continuing to serve schools and families in need," says Dwyer.

EVERYDAY HEROES

About 70 percent of America's firefighters are volunteers and 85 percent of the country's fire departments are entirely or mostly volunteer-run, according to the National Fire Protection Association. At River Valley Cooperative, which is based in Davenport, Iowa, and serves farmer-owners and customers in eastern Iowa and western Illinois, more than 20 employees are part of local firefighter brigades in their communities.

For many of these firefighters, serving their neighbors is in their blood. "I grew up following my dad to the fire station," says Don McGonegle, maintenance shop manager. In his community of Grand Mound, Iowa, located about a half hour from the Illinois border, he's part of a 24-member volunteer fire brigade that still includes McGonegle's father.

"I want to be directly involved in my community and have a positive impact," says McGonegle, who adds it's common to know the residents of the house he's called to protect. "All of the people in our community know each other and we help each other in one way or another."

River Valley Cooperative gladly shares its employees with the community. "If we have to leave work to get our gear on and fight a fire, the co-op is supportive of that," McGonegle says, adding that River Valley also provides financial support by connecting fire departments with potential sponsors and partners.



Don McGonegle works full-time at River Valley Cooperative and is a volunteer firefighter in Grand Mound, Iowa.



At River Valley Cooperative, based in Davenport, Iowa, more than 20 employees are part of local firefighter brigades in their communities.



A COOPERATIVE'S CALLING

When George Secor became CEO of Sunrise Cooperative in Ohio more than 20 years ago, he began searching for a cause he could support personally and through the cooperative. After seeing a flyer for Riders Unlimited, a nonprofit horse therapy program in northwestern Ohio, the former rider knew he'd found a fit.

Riders Unlimited offers physical and emotional therapy to mentally and physically disabled people, as well as veterans. "Because the physical movement of horses mimics the movement of a human, clients ride to increase muscle tone and range of motion," says program director Maureen Mullins, who got connected to the program in 2003 and has three children who use Riders Unlimited services. There are other benefits, too, she says, like being able to look down at people from horseback instead of up at people from a wheelchair.

Recently, Riders Unlimited has expanded into mental health services through hippotherapy, which uses an equine facilitator to translate emotions felt between a horse and client.

"Horses can sense the emotions of those around them," explains Mullins. "The equine facilitator might tell a social worker what emotions the horse is sensing from the rider. Horses are honest animals and they give you feedback."

Today, Riders Unlimited helps about 30 riders, but it's looking to grow. And Secor is there to help. "George is our biggest and best supporter," says Mullins. "He loves our program and loves what we do. He checks up on us and helps us find sponsors." She says about 90 percent of the organization's funds come from fundraising and sponsors, with Sunrise Cooperative being the largest supporter. "Sunrise has been a huge blessing to us for many years."

Image courtesy of Diana Podach, Sunrise Cooperative

Horse therapy nonprofit Riders Unlimited relies almost entirely on donors, including Sunrise Cooperative in Ohio.

STEWARD OF LAND AND CROP



For generations, Brian Starkebaum's family has relied on two things: the land and the wheat crop. That reliance drives his involvement in the Colorado Wheat Association (CWA) and Haxtun Soil Conservation District while running a cow-calf operation and raising corn, millet, white wheat and red wheat near Haxtun, Colo.

Through CWA, Starkebaum's grandfather completed more than 60 international trade missions, meeting with millers and bakers in Asia and Europe to help them understand U.S. farming practices and discussing food supply needs. Starkebaum's father followed suit with trips to South America.

More recently, Starkebaum has hosted a handful of international bakers and millers. "It's through these trade missions that my family learned of the need for white wheat and we began farming the crop," he says. "We are not only helping to develop the market and create partnerships for wheat farmers, but we are sharing farming practices with producers around the world."

Starkebaum is president of the Colorado Wheat Administrative Committee, which oversees wheat checkoff dollars used for education and research, and includes a partnership with Colorado State University through the Colorado Wheat Research Foundation.

"As wheat farmers, we know what we need, and this partnership allows us to be flexible with the market while giving back to wheat crop development and education," he says.

Another natural fit for Starkebaum is his role in conservation. As a 20-year member of the Haxtun Soil Conservation District, he's seen the impact of caring for and advocating for the land.

"Over the past 60 years, conservation districts have changed farming practices and prevented things like another Dust Bowl of the 1930s," he says. "I got involved because I saw the value of doing things differently and felt it was important to help spread that message.

"I want to be part of the solution," he adds. "If you're going to take the time to be involved, be the best member you can be."

Image courtesy of Colorado Wheat Association

- > my time helping organizations move forward to make our community a better place."

Cooperative Spirit

As core members of their communities, cooperatives can help identify needs and champion causes. Nearly 25 years ago, when George Secor became CEO of Sunrise Cooperative in Ohio, he saw the important role the cooperative played in lifting up the people and causes in his community. As a sponsor for the nonprofit horse therapy program Riders Unlimited, he helps provide vital funding, plus connects the organization to other potential resources, including securing a CHS Seeds for Stewardship grant, which matches cooperative donations for local organizations.

"I want to help organizations move forward to make our community a better place."

— Koy Holland

SPEAKING UP



For many people, running a nearly 20,000-acre ranch and managing more than 2,000 cows would be enough to keep busy. For Koy Holland in Dillon, Mont., that's just the tip of the iceberg.

Holland serves on the Beaverhead County High School Board and is a high-school wrestling referee. He also chairs Montana Range Days, is former board chair of the Western Montana Bureau of Land Management and helped found the equine program at the University of Montana Western, where he's

donated horses to its Colt Challenge and Sale and helped find funding and scholarships for the program, which helps educate college students on aspects of the equine industry.

Holland credits a commonsense approach to leadership for making an impact. "I get involved in things I believe in and am a vocal advocate for what I think is right," he says. "I've always felt that nobody is going to benefit from something I do unless I get involved and share my knowledge and voice."

Cooperatives are built to help those they serve, and cooperative employees are often active members of their communities. That cooperative spirit was especially evident this year as COVID-19 made its way throughout the world.

- Wisconsin's Medford Cooperative eliminated fees for online grocery orders, helping residents save nearly \$10,000.
- With people out of work and kids home from school, Farmers Cooperative in Nebraska recognized its community's food shortage and employees >

6 HEALTH BENEFITS OF VOLUNTEERING

While volunteers make a difference in the lives of others, they may also benefit their own minds and bodies, according to the Mayo Clinic. From building a social network to increasing activity, volunteering can offer these health benefits:

- Decreases the risk of depression
- Helps people stay physically and mentally active
- Gives a sense of purpose and teaches valuable skills
- Reduces stress levels
- Helps people live longer
- Provides opportunities to meet others and develop relationships

“It’s extremely important for young people to get involved. Organizations need new ideas and new ways of thinking.”

— *Brian Starkebaum*

- > raised nearly \$17,000 for the Food Bank of Lincoln, which serves 16 counties in southeast Nebraska.
- CHS SunPrairie in North Dakota donated nearly 550 N95 masks for use by local medical professionals.

These stories are among hundreds of examples of people stepping up in their communities during the pandemic.

Next Generation

Farmers and ranchers credit programs like 4-H and FFA with teaching them the value of leadership and community service.

“In FFA, I found joy and satisfaction in helping people,” says Holland, who served as a state FFA officer. “If organizations like 4-H and FFA hadn’t been around when I was young, I don’t know if I would be as active

in my community. We need leaders who are teaching our kids about the value of giving back and being involved.”

Getting the next generation involved in organizations is a passion for Colorado’s Starkebaum, who has seen a generational gap in the boards he serves on.

“It’s extremely important for young people to get involved. Organizations need new ideas and new ways of thinking,” he says. Starkebaum credits the generations before him for being examples of volunteering and says it’s never too late to get involved.

“There’s a huge benefit to being involved. Start small and pick your passion. Whether an organization is related to ag or not, farmers and ranchers have a duty to enrich our communities.” ■

How CHS Helps

CHS helps strengthen rural communities and develop the next generation of ag leaders through CHS Community Giving and the CHS Foundation.

“At CHS, we believe in the power of working together to accomplish great things,” says Jessie Headrick, director of stewardship for CHS. “CHS is committed to making a lasting, measurable impact on rural America and the agriculture industry through investments that strengthen communities and develop ag leaders for lifelong success.”



8,000

students learned about ag safety in 2019, thanks to CHS Community Giving support



225+

scholarships were provided to students studying ag in 2020 by the CHS Foundation



56

cooperatives received Seeds for Stewardship matching grants in 2020 to support community efforts



1,500

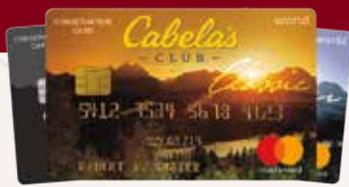
ag teachers gained resources from the CHS Foundation in 2020 to inspire the next generation

LEARN MORE:

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STANDING TALL

Roadside attractions change with the seasons along Minnesota's Highway 169, from sweet corn fields and fresh fruit stands in the summer to pumpkin patches and haunted houses in the fall. And now a 135-foot mural stands tall year-round in Mankato, the

city that anchors the 350-mile highway, which follows the Minnesota River through southern Minnesota, then rolls purposefully into the Iron Range north of the Twin Cities.

Driving north or south on 169, the impressive black-and-white artwork can't be missed. But it's

not until you venture into the charming downtown and stand next to the Ardent Mills silos that you truly experience the scale and presence of the mural.

Created over two years by Australian artist Guido van Helten, the artist applied industrial paint while strapped

into a basket lift. Van Helten painted this image of an Indigenous youth teaching local middle-schoolers how to dance after he experienced the Mahkato Wacipi, also known as the Mankato Pow Wow, held annually by the Mahkato Mdewakanton Association.

— Adam Hester

Art by Australian Guido van Helten graces Minnesota silos owned by Ardent Mills, a joint venture of CHS, Conagra and Cargill.



A black dog is shown from a high angle, leaning over a large, reflective metal bowl on a grassy field. The dog's head is inside the bowl, and it appears to be drinking. The background is a bright, sunny outdoor setting with green grass and some trees in the distance. The word "Growing" is overlaid in large white text on the right side of the image.

Growing

By Kate Haggith

Paw-portunities

PET FOOD MARKET DRIVES DEMAND FOR YELLOW PEAS

If there is one topic most Americans agree on, it's their love of four-legged companions. They'll go to great lengths to ensure their dogs are part of the farm and ranch family, from providing a soft place to rest at the end of a hard day to the chance to ride shotgun on endless pickup rides. That love and compassion and an increase in the number of households with pets worldwide is fueling the pet industry's growth and providing crop marketing opportunities.

"The pet food market has given us an avenue to sell our peas," says Lee Pawlowski, who grows spring wheat, corn, durum, flax, mustard, sunflowers and a variety of pulses near Circle, Mont., with his father and brother.

They began growing dry peas in 2008. "Yellow peas were the start of implementing different rotations in our fields," says Pawlowski. "We were raising spring wheat, durum and barley and our yields just weren't there. Peas seemed to be the answer."

The Pawlowskis started off small, planting about 100 to 200 acres of yellow and forage peas. By 2013, they were up to 1,200 acres of various varieties.

"Peas have really improved our soil health and the earlier harvest window makes them easier to manage," he says. Dry peas are typically harvested in late July.

While the Pawlowskis have slightly decreased their pea acres in response to increased tariffs on pulse and pea exports to India, "demand for plant-based protein and pet food has kept peas a viable crop for us to grow," says Pawlowski. "Between tariffs and current economic factors, peas might have become a stalemate if it weren't for the pet food market."

Pawlowski Brothers Incorporated sells about half its pea production to CHS Farmers Elevator in Circle, Mont., where Pawlowski serves on the producer board. The other half goes directly to protein foods processors. CHS Farmers Elevator handles about 2 million bushels of yellow

peas annually, selling most to U.S. pet food manufacturers, says David Barbula, the co-op's merchandiser. "We also have a small amount that is loaded into containers and shipped to Asia."

Market Growth

"Peas received some bad press a few years ago when the FDA warned that pet food with large portions of peas could potentially cause heart issues in dogs," says Mickie Dent, a procurement merchandiser of specialty grains with CHS Global Grain Marketing who works with CHS Farmers Elevator and other cooperatives to source peas for buyers in the U.S. pet food market.

The FDA hasn't released evidence to support the claim and Dent says that while there was some effect on the market, overall demand for dry peas has remained steady.

"Peas will continue to be a staple in pet food unless they are proven unsafe; they're price-competitive and a good source of protein," says Nathan Green, vice president of >

8 of 10

of the world's largest pet food companies are in the U.S.

Source: Petfoodindustry.com

80%

of U.S. dry peas are grown in Montana and North Dakota

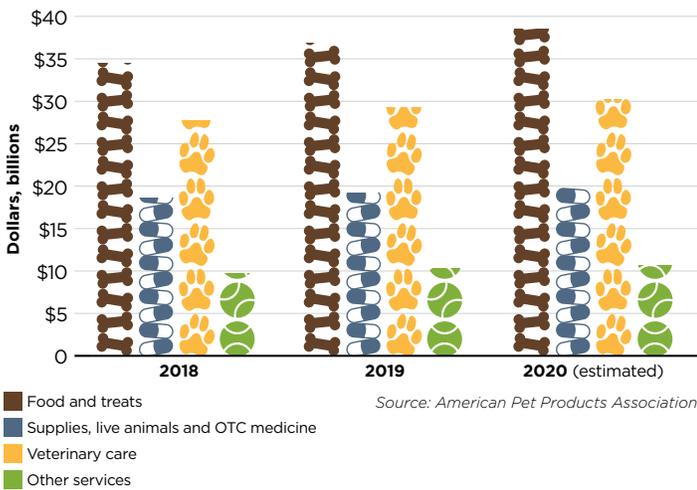
Source: USDA

Lee Pawlowski, left, raises wheat, corn, mustard and a variety of peas and lentils in Circle, Mont. He and his wife, Hayley, right, welcomed their daughter, Juniper, in February.

Image courtesy of Hayley Hesper Photography



Americans Are Spending More on Their Pets



> merchant trading for LinkOne Ingredient Solutions based in Monett, Mo.

All the peas and about 80 percent of the canola oil Green purchases from CHS are used by pet food manufacturers, he says. “We also buy dry beans and millet from CHS for the pet food market. CHS is one of our largest suppliers of pet food ingredients.”

The U.S. pet food market is steadily growing 3 to 5 percent year over year, Green adds. “The U.S. leads in having furry animals as companions, but pet ownership is growing in China and South America, too.”

Upward Trends

About 67 percent of U.S. households include a pet, compared to 11 percent in 1988, according to the American Pet Products Association (APPA). When COVID-19 reached the U.S. earlier this year, families flocked to animal shelters to adopt new friends. Many shelters across the country announced for the first time that all available animals had been adopted.

The amount of money families are willing to spend

on their furry companions is rising, too. Americans spent an all-time high of more than \$95 billion on their pets in 2019, with pet food and treats representing the largest category, APPA reports.

“Demand for plant-based protein and pet food has kept peas a viable crop for us to grow.”

— Lee Pawlowski

“Consumers are paying closer attention to pet food ingredients. Many are willing to pay more for higher-end ingredients,” says Wyn Johnson, territory sales manager for Consumers Supply Distributing, a wholesale distributor and manufacturer of agricultural and animal nutrition products based in Sioux City, Iowa.

Rich in protein, vitamins and fiber, dry yellow peas are a popular ingredient in grain-free pet food.



DEMAND FOR DRY PEAS GROWS

The U.S. is one of the largest exporters of dry peas and other pulses. “There’s a big market for peas in China,” says Yuxi Weng, grain merchandiser, CHS Global Grain Marketing.

As a significant source of protein, yellow peas

are valuable ingredients in livestock feed and pet foods.

“Two to three years ago, Chinese feed mills started using yellow peas in feed production as a replacement for corn and soymeal, which has really increased demand,” says Bobo Jiang,

a grain marketer with CHS Global Grain Marketing based in Shanghai.

“Yellow peas and green peas are also used for human consumption,” says Jiang. “Yellow peas are used to produce glass noodles, a popular ingredient in

Chinese dishes, and puffed green peas are a common snack here.”

“In the past, we’ve typically shipped yellow peas in containers,” says Weng. A standard 20-foot container holds about 25 metric tons of dry peas. “But as demand grows, China has begun purchasing peas from CHS by bulk vessel.”



Image courtesy of Lee Pawlowski

CHS entered a joint venture to create Consumers Supply Distributing, LLC, in 2012. “It was a natural fit to combine our expertise,” says Jon Peterson, operations manager, CHS Nutrition. “The relationship increased distribution efficiencies and opportunities to grow our businesses and meet our customers’ livestock and companion animal nutrition needs.”

Nutritious Ingredients

“Pet food trends tend to follow human food trends,” says Johnson. “There’s growing demand for plant-based proteins and natural ingredients in human food and we’re seeing that carry over to pet food. The Country Vet® line of premium dog foods had been our most

popular line until a few years ago. Now our Naturals line has taken over, especially in the Pacific Northwest.”

Cody Dallas, feed department manager at the Mountain View Co-op feed store in Black Eagle, Mont., is seeing the same trend. “Mountain View has five retail locations that carry Country Vet dog foods and the Naturals line is by far the most popular, even in our small farm and ranch communities.”

The Country Vet Naturals line includes a grain-free option with peas as one of the main ingredients. “Consumers are looking for what fits their dogs’ needs and the best ingredients to keep them happy and healthy,” says Dallas.

There’s no sign the pet

products market has reached its peak. APPA estimates the industry will see a \$3 billion increase in sales this year, with half attributed to pet foods and treats. As pets become more popular outside

the U.S. and plant-based protein demand in animal feed and human food grows, says Dent, yellow peas will become an even hotter commodity. ■

NOMINATE YOUR FARM OR RANCH DOG

Do you have a special dog that appears by your side at just the right time, is a kid’s best friend or simply provides loyal companionship while working hard on your farm or ranch?

Send us a photo and brief description of your canine companion and we may feature your pet on our website or in a future issue of C magazine. Visit chsinc.com/c for details.





Working with a trusted consultant helps take emotion out of marketing

By Peg Zenk

Focusing on individual strengths is part of the Blume family's farming philosophy. Brothers Kevin and Steve and their father, Neil, communicate daily and share the labor but often work independently on their corn, soybean and sugarbeet farm near Herman, Minn. "We each have our main areas of responsibility," says Kevin. "Steve likes to focus on planting and harvest. I do most of the spraying and help with harvest."

Kevin also runs point on

grain marketing, taking over the job from his father eight years ago. "I have a good knowledge of marketing basics, but it's something that I never feel like I have enough time to master. That's one of the biggest reasons we use a marketing consultant and why my dad started working with Kent 20 years ago."

Kent Beadle, director of producer brokerage for CHS Hedging and manager of AgSurionSM Risk Consulting, has 34 years of marketing and risk management experience with CHS. For the Blumes, he's a

familiar and valued resource. "He feels like a friend," says Neil. "No one outside the family knows our operation as well as he does."

The Blumes agree the most important factor in choosing a marketing consultant is trust. "Kent knows us, our operation's history and our goals, and we trust him, which is huge," says Kevin. "We know he's got our farm's best interests at heart."

Setting Goals

In the current economic climate, the main goal of many farming operations is simply to



From left, Kevin, Steve and Neil Blume have found value in building a relationship with a marketing professional.

REDUCING RISK & STRESS

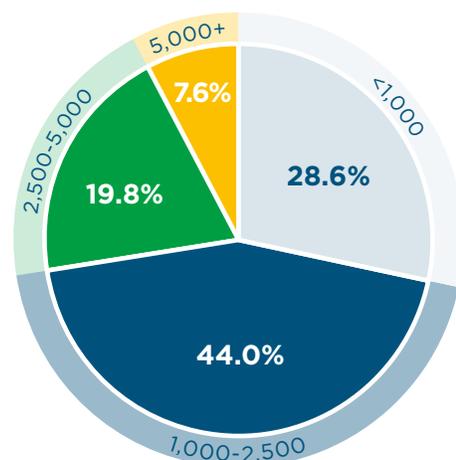
remain viable. The Blumes are no different. “Steve and I each have three young sons and we’d like them to have the option of continuing to run this farm someday,” says Kevin.

To accomplish that, the Blumes regularly revisit marketing goals and strategies, updating the management plan they’ve crafted with Beadle’s help. A team of experienced risk consultants, including Beadle, four other CHS Hedging staff members and 20 independent associates, work under the AgSurion Risk Consulting banner. CHS Hedging

acquired full ownership of the former Russell Consulting in 2018.

“The name has changed, but we offer the same services, resources and commitment to our grower-customers,” says Beadle. “One of the first things we do with each client is to complete a detailed financial analysis of the operation to create a benchmark that we can compare future results against. We also compare the operation’s performance with the averages of our broader client group to provide a bigger picture of how the operation is doing and to help identify areas to improve.” >

Farm Size of AgSurion Clients
(acres)



Source: CHS Hedging. Past performance is not indicative of future results.

> Most growers focus on commodity prices and dollars per bushel or per head and tend to overlook efficiency factors, he notes. “We try to shift the focus to understanding gross dollars per acre or head needed to cover all costs, including operator draw and desired profit. There is often more than one way to get to your objective.”

“We know he’s got our farm’s best interests at heart.”

— Kevin Blume

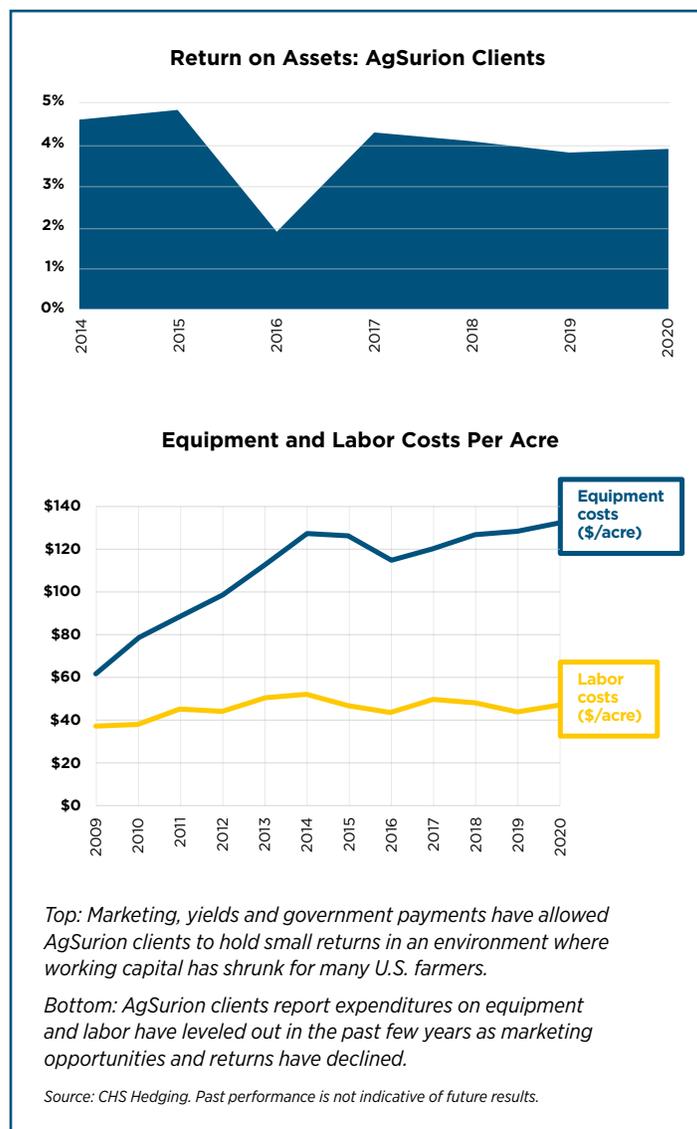
In the current agricultural and global trade environments, it’s also important to consider available programs, such as the Price Loss Coverage program, adds Beadle. “The trade war has had an enormous impact on commodity markets, and the government support payments really helped most growers. It’s important to make sure those payments are accounted for, since they play a role in goal-setting.”

Easing Fear

Like many farmers, one of Kevin Blume’s biggest fears is selling at the wrong time. He says working closely with Beadle has made him more confident in making decisions. “It helps to have a strategy — when the price hits a certain level, we sell a percentage of our crop.”

Marketing decisions are often hard, says Beadle. “Having a plan, along with up-to-date information and analysis, helps take emotion out of the process. That’s what our service is all about.”

Having regular conversations



with a trusted consultant is really valuable, Kevin says. “I talk with Kent almost every week — either I call him with a question or he calls me with an idea. He has helped us do a better job of hedging, and we’re pricing some of our crop farther out than we used to.”

The other side of the profit equation is trying to cut costs. “We’ve learned it doesn’t pay to buy cheap seed or cut back on fertilizer rates,” says Kevin. Instead they’ve invested in more precision ag equipment for variable-rate planting and spraying. “We’re keeping equipment like tillage tools longer, fixing them rather than

replacing them.”

Would the Blumes ever eliminate the cost of their consulting service? “The three of us did talk about it once, but none of us are marketing experts,” says Kevin. “History has shown we’re much better off hiring the services of someone who is an expert.” ■

This material has been prepared by a sales or trading employee of CHS Hedging, LLC, and should be considered a solicitation. There is a risk of loss when trading commodity futures and options.

6 TOOLS for Better Risk Management

AgSurionSM Risk Consulting offers growers a package of marketing tools and tactics that can be customized to fit farm needs and working styles. These are the key program components:

1

Farm operation analysis to assess marketing capabilities, risk profiles and preferred marketing tools.

2

A risk management plan that provides appropriate return on assets and return on equity, based on gross dollars per acre or per head.

3

Weekly updates on crop and livestock futures, bases and spreads, and analysis of related markets, including energy, fertilizer and currencies.

4

Ongoing dialogue to help execute marketing recommendations.

5

Decision software for support when making major purchases, such as land, equipment or storage facilities.

6

An annual marketing workshop featuring a range of marketing experts.



Open your eyes
to potential grain
storage failure

IS YOUR BIN SAFE?

By Jennifer Chick

“The first signs
of bin failure
aren’t always
glaringly obvious,
but if you look
closely, the signs
are there.”

— Jim Gales

Y our bins are workhorses, doing the job of protecting harvested crops year after year. But are you giving them the attention they need to make sure they can continue acting as guardians of grain?

Much of the grain bin storage on U.S. farms was put up 30 or 40 years ago. Age alone isn’t evidence that a bin might be nearing the end of its useful life; much depends on the type and quality of the original construction. Preharvest is a great time to check bins before you have a failure that hurts you financially or physically.

Jim Gales has seen it all over the past 10 years as a construction department manager for CHS. He works with CHS locations and local cooperatives on projects ranging from facility updates to new construction. After spending time in and around hundreds of grain bins, he says the first signs of bin failure aren’t always glaringly obvious, but if you look closely, the signs are there. >

Key Indicators of Potential Bin Failure

Rusted or cracked bin seals

Check the bin seal where it meets the concrete foundation. Do you see rust or cracked caulking where you sealed a leak? Compromised caulking can come loose, allowing moisture to seep in. Moisture causes rust and creates a vicious cycle in cold climates as it freezes and thaws, since the contraction and expansion creates bigger problems.



Gaps or cracks in the foundation

These indicate the presence of structural issues that are affecting the foundation. Look closer and you'll probably find other issues.



Steel sheets beginning to rip or pull apart at the seams

Separating or ripped sheets indicate that rust has built up and is creating weak spots in the bin structure.



Collapsing corrugated metal

The bottom three or four rows of corrugation are where most of the stress occurs on a bin. If you notice the corrugation is collapsing or appears to be scrunching closer together, excessive stress is occurring and you could be looking at a future bin failure.



Missing or failing bolts

Look up about 15 feet above the ground at the bin wall and check splices on the steel sheeting. Then check all seams. If bolts are missing or sheets have pulled away from the bolts, something has occurred inside the bin that has caused them to shear off from the inside or rust has built up and bolts have loosened or popped off.



Side wall deflection

A bowed side wall means there is a bigger issue lurking.



Rust or gaps around doors, truck side draws or other openings

Gaps let in moisture. Rust indicates the presence of moisture. Moisture inside a grain bin is bad news, since it hurts grain quality and can lead to inside damage that creates structural weakness.





> Inside Out

The first step, says Gales, is to conduct regular visual inspections — an important and often overlooked part of any farm's operation plan. Pausing for a close inspection will only take a few minutes, but can determine if your bins are structurally sound.

A thorough inspection includes evaluating the inside of the bin. If you need to enter a grain bin for any reason, always make sure the bin is empty and post an observer outside the bin before you enter it. See the sidebar below for safe entry tips.

Once safely inside the bin, look for any of the same signs you would search for on the outside of the bin. If your bin has inside stiffeners (steel braces on the side walls), examine them for collapsing or kinking.

In most cases, if issues are caught early, repairs can be made and a bin can stay in use, says Gales. He suggests contacting the bin manufacturer or a qualified grain bin representative and asking them to inspect your bin to determine what repairs might be needed.

"Don't be afraid to ask for help," Gales says. "Most representatives would be happy to look at your bins, even if they didn't build them."

And don't put it off because you are worried about an expensive repair. Bin failures do happen and they can be deadly.

"Is saving a few thousand dollars worth risking someone's life?" Gales asks. ■

Grain Bin Entry Safety Tips

Use extreme caution every time you enter a grain bin. The Purdue University Agricultural Safety and Health Program reports 39 people died in confined space incidents in 2019, significantly more than in the previous year. More than half (57 percent) of those cases were grain entrapments.

According to Jerry Wolf, CHS regional safety specialist, you should always have a plan before you enter a grain bin.

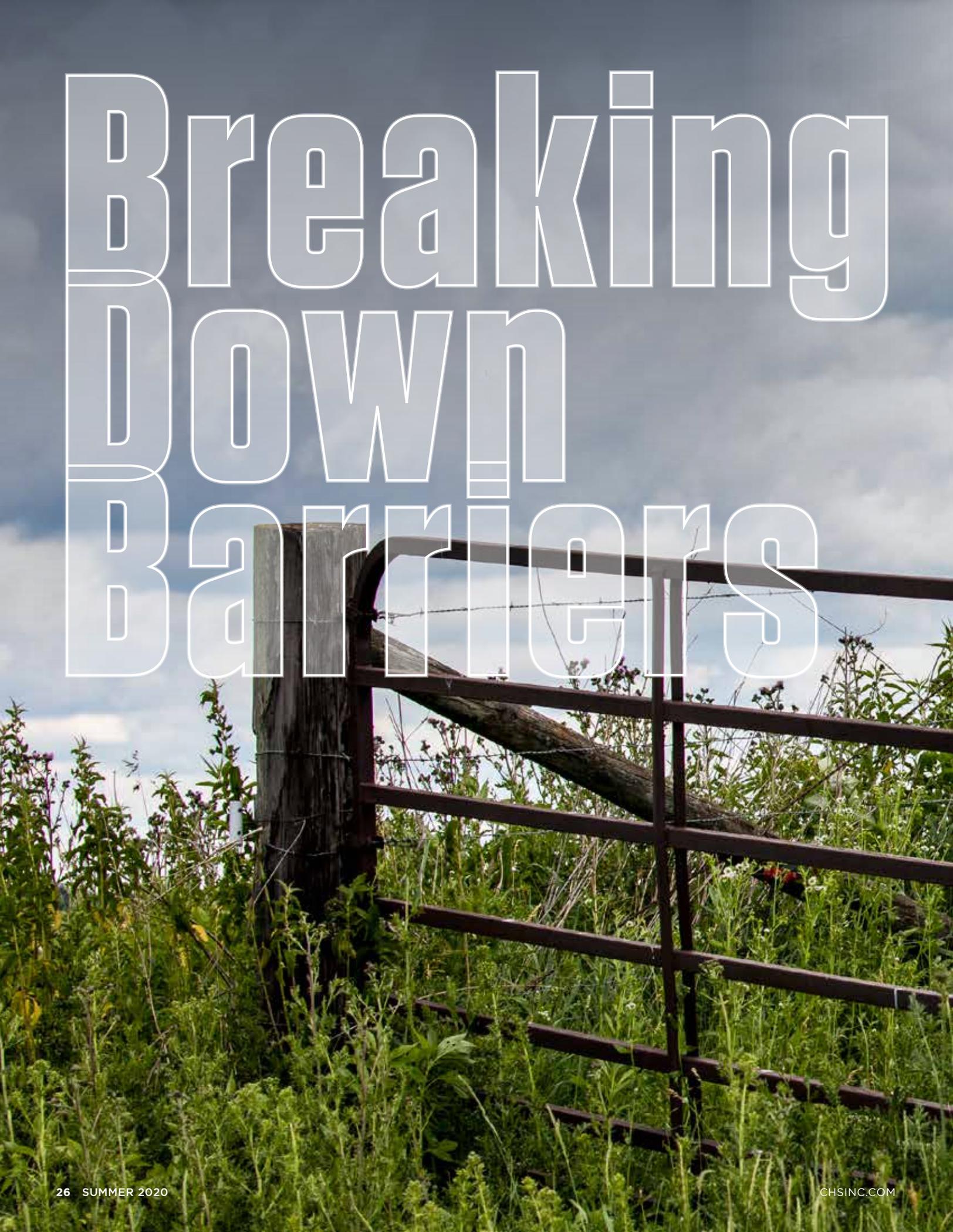
- Buddy up. Never enter a grain bin without at least one person stationed outside the bin and ready to call for help.
- Check inside air condition before you enter. Your local co-op may have an air monitor you can use. If you have no air monitor, open the roof vents and side door to clear the air before entering.
- Before entering, inspect the interior for grain stuck to the wall or bridged, which can fall and engulf you.
- Use safety equipment to enter the bin, including a ladder, safety harness and lights.

- If you will enter through the top of a bin, wear equipment to prevent falling.
- Never enter a bin when equipment is running. Shut off and lock out equipment before entering.
- Never walk on grain that is deep enough to engulf you. If the remaining grain is deeper than knee-high, use a safety harness and a lifeline secured on the outside of the bin.
- Never use an open flame inside a grain bin.

"Many fatalities in bins are the result of poor decisions," Wolf says. "Just because it is the way you have always done it doesn't mean it is safe. Habits are hard to change, but you need to be safe."

LEARN MORE: Find safety resources from the Upper Midwest Agricultural Safety and Health Center at umash.umn.edu.

Breaking Down Barriers



PREVENTING SUICIDE AMONG FARMERS AND RANCHERS

The statistics are staggering: There has been a 30 percent rise in suicide in the past 20 years and suicide is the 10th leading cause of death in the U.S., according to the American Psychological Association. The suicide rate among farmers, ranchers and ag managers is 3.5 times higher than the national rate, according to a University of Iowa study. Many factors may contribute to a feeling of desperation, including financial problems, physical health problems, substance abuse and relationship problems.

For those in ag, financial stress is a chief concern: Many farm and ranch families have seen little increase in income, while costs have risen and debt is multiplying.

The majority of those who attempt suicide give some verbal or behavioral warning signs, says Glen Bloomstrom of LivingWorks, a suicide intervention training organization. But stigma and isolation are often barriers

to seeking care, it may be up to family members and other farmers and ranchers to recognize when someone may be struggling.

What to Watch for

Anyone can be at risk for suicide. “LivingWorks encourages people to use their intuition and rely on your relationship with the person to identify if someone may be at risk for suicide,” says Bloomstrom. He offers the following signs that should raise awareness and concern.

What you might hear:

Statements that indicate end of life, hopelessness or pain, such as, “What’s the point of going on?” or “Things will be better when I’m not around.”

What you might see:

Changing use of alcohol or drugs, withdrawal or extreme mood swings.

What You Can Do

If you see signs of suicide risk, Bloomstrom suggests asking directly if a person is having suicidal thoughts. “You

will not put the idea of suicide in a person’s mind by using terms like kill yourself and suicide,” he says. He says the following steps can help those considering suicide.

1. Listen. Let people talk about what’s going on in their lives. Acknowledge a person’s distress by asking if he or she is having thoughts of suicide and then listen actively. Create a safe space by asking questions, not immediately offering solutions. Research has shown that once a person has been asked if he or she is thinking of suicide, the response is typically relief, not greater distress.

2. Get involved. Become available to the person and show your full support. Remove items that may hurt the person, such as weapons or pills.

3. Get help. Those who are trained in suicide intervention can help and offer help (see sidebar), but also consider other networks where a person may be comfortable sharing, such as a clergy member or doctor.

If you, a loved one or a community member is having suicidal thoughts, Bloomstrom says it’s important to act. “It’s not polite to see someone struggling and do nothing. Do not let stigma or fear stop you.” ■

This information should not be interpreted as medical advice. More information about LivingWorks can be found at livingworks.net.

CHS LAUNCHES MENTAL HEALTH TRAINING AND RESOURCES

In partnership with LivingWorks, CHS has begun training employees who work directly with members of the agricultural community to recognize signs of suicide risk and mental health stress among farmers and ranchers.

The online training adds CHS employees to a network of safety to help reduce suicide in agricultural communities by recognizing signs that people are struggling, providing language to ask people directly about suicide and connecting those who are hurting and their loved ones to prevention resources.

“Rural communities face stress and health challenges unique to their businesses and geographies. We aren’t the experts in how to manage the stress impacting our owners’ and customers’ families and lives,” says Jay Debertin, president and CEO of CHS. “But we are committed to supporting those who are, those who help us have the difficult conversations, and those who help us all understand that taking care of our mental health is directly tied to taking care of our physical health.”

LEARN MORE: Find a list of mental health resources, including resources by state, at chsinc.com/stewardship/rural-health.

Reach out to one of these resources if you or a loved one needs help.

National Suicide Prevention Lifeline:

• 1-800-273-8255

• suicidepreventionlifeline.org

Crisis Text Line: Text 741741

Farm Aid Hotline: 1-800-FARM-AID (327-6243)

CHS REPORTS \$97.6 MILLION IN THIRD QUARTER FISCAL 2020 NET INCOME

CHS has reported net income of \$97.6 million for the third quarter of fiscal year 2020 that ended May 31, 2020. This represents a 78.8 percent increase compared to net income of \$54.6 million in the third quarter of fiscal year 2019.

The results for the third quarter of fiscal year 2020 reflect:

- Revenues of \$7.2 billion compared to revenues of \$8.5 billion for the third quarter of fiscal year 2019.
- Improved margins and volumes across much of the Ag segment as a result of more favorable weather conditions for spring planting compared to third quarter of fiscal year 2019.
- Improved trade relations between the United States and foreign trading partners.
- Decreased selling prices and

volumes for refined fuels driven by global market conditions including the impact of COVID-19, which has depressed demand for energy products.

- A \$42.0 million noncash charge to reduce our refined fuels inventory to its market value.

“We continue to adapt how we do business to ensure the safety of our employees and our customers,” says Jay Debertin, CHS president and CEO. “Improved trade relations benefited us and, in turn, our owners, and we are eager for that to continue. We are not immune to the market pressures caused by COVID-19, and we will continue to adjust to best serve our owners and customers.”

CHS INC. EARNINGS* (in thousand \$)

For the Nine Months Ended May 31		
	2020	2019
Energy	\$246,309	\$540,305
Ag	60,653	39,031
Nitrogen Production	45,698	54,569
Corporate and Other	31,014	56,761
Income before income taxes	383,674	690,666
Income tax (benefit) expense	(18,258)	40,534
Net income	401,932	650,132
Net income (loss) attributable to non-controlling interests	955	(758)
Net income (loss) attributable to CHS Inc.	\$400,977	\$650,890

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

PROPOSED AMENDMENTS TO ARTICLES AND BYLAWS

The CHS Board has proposed amendments to the CHS Articles of Incorporation and CHS Bylaws that would clean up obsolete language and confirm the ability for owners to vote by mail and electronically (through a website or email).

CHS owners are encouraged to read the proposed amendments, ask questions and provide feedback. Visit chsinc.com/amendments for more information.

CHS HEDGING LAUNCHES AGSURION RISK CONSULTING

CHS Hedging has announced that Russell Consulting Group is now fully integrated into CHS Hedging, LLC, and all services have been renamed AgSurionSM Risk Consulting. The new name aligns with the scheduled business transition agreement between Russell Consulting Group founder and principal Maurice (Moe) Russell and CHS Hedging.

Partial ownership of Russell Consulting was acquired in 2007 by Country Hedging Inc., the predecessor to CHS Hedging. CHS Hedging assumed full ownership in 2018.



A SERVICE OF CHS HEDGING

GET MORE: Sign up to receive CHS press releases by email or RSS feed at chsinc.com/news.

AMPLIFYING THE CHS SUSTAINABILITY JOURNEY

CHS was built on a foundation of sustainability. A concentrated effort now underway is elevating efforts around sustainability for CHS and its businesses to keep sustainability top of mind for CHS employees and provide added value for owners.

Three fundamentals make up the CHS approach to sustainability:

- Economic viability: Striving for shared prosperity with owners and employees to drive long-term strength and growth
- Environmental stewardship: Maintaining

healthy places in which to live and work, caring for and making effective use of natural resources

- Community well-being: Being vested in and supporting strong communities, where people feel safe and valued and have opportunities to learn and thrive together

Within each fundamental, CHS teams have established focus areas with areas of strength and opportunities for improvement.

Learn more at chsinc.com/sustainability.



CHS AGRONOMY RECEIVES PATENT

CHS Agronomy has received a patent for a compound used in its Levesol® nutrient enhancement products. The patented ortho-ortho EDDHA chelate is found in several CHS products, including Trivar® fertilizer additive, and makes phosphorous, zinc and other micronutrients more available to plants to boost early growth, overall plant health and yields.

“Levesol is a proven technology that’s been used as an in-furrow application for more than 18 years,” says Steve Carlsen, Levesol and crop enhancement manager, CHS Agronomy. “This patent is important recognition for the Levesol product line, showcasing these products as innovative tools in the industry.”

Learn more about Trivar and other CHS products containing Levesol at CHSAgronomy.com.



HELPING STUDENTS AFFECTED BY COVID-19

The CHS Foundation has committed \$225,000 to help future ag leaders affected by COVID-19 continue their education and develop leadership skills. The CHS Foundation will distribute:

- \$5,000 to student emergency funds at each of the CHS Foundation’s 25 University Partners, for a total of \$125,000. Funds will help provide essential resources and financial support to students preparing for careers in agriculture.
- \$100,000 to the 4-H FOURWARD Fund to support state and local 4-H club efforts and help deliver mobile-friendly digital platforms and solutions to serve youth in rural and urban communities.

Animal Educators

By Sarah Haugen

“Being around animals has provided me with so many life skills,” says Brittney Krebs.

Growing up on her family’s dairy farm near Dickinson, N.D., Krebs got an early education on animals. As she and two of her five siblings, BreeAnn and Kyle, got involved in the farm and their menagerie grew to include llamas, goats, sheep, alpacas and other animals, the family realized that many youngsters in their community didn’t know much about where their food came from.

“We found that kids don’t think about the important role of the animal and the farmer,” she says. “They think their food comes from the grocery store.” So Krebs and her family began taking their animals around the community to educate children about animals and their food supply.

“We teach kids, many who have never even touched an animal, about things like the types of goats and uses for chickens,” she says.

The learning happens through informal setups like petting zoos and more formal events like the Dickinson State University Kids Day on the Farm, which welcomes about 2,000 kids from the area to learn about agriculture. The university’s 30th anniversary farm day was cancelled because of COVID-19, so Brittney and BreeAnn continued the education virtually through daily videos on the family’s Facebook page, Krebs Family Pumpkin Patch. The videos show a behind-the-scenes look at farming and animal care.

“We still wanted people to learn about the animals, and it worked because we could show the animals in their homes on the farm,” she says. ■



The Krebs family includes, from left, BreeAnn, Alan, Lilah, Emma, Jamie, Victor, Kyle and Brittney.





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G TOMORROW

Water Warrior

Keeping water out of fuel lines is critical, since water in equipment can cause breakdowns and costly downtime. The best way to keep water out of equipment is through regular fuel tank maintenance and testing for water. A new product called AquaFighter simplifies testing for water buildup and resolving the problem.

Developed by a company in Norway, AquaFighter is a solution for removing water from diesel tanks. CHS is currently the only wholesaler in the U.S. to offer the AquaFighter product to fuel distributors.

“Not all diesel tanks are the same, but many tanks have the common problem of water contamination,” says Andrew Manchester, account manager for CHS Energy Equipment, which sells AquaFighter through its online store.

AquaFighter uses a dip stick test to check for the presence of water and then uses one of four filters, depending on tank size, to absorb suspended water, which prevents bacteria from forming in the fuel tank.

Removing bacteria from fuel significantly reduces the risk of diesel filter clogging, says Manchester. “Microbes rely on water to live and multiply. By removing water in diesel, equipment will be protected from harmful effects.”

Ask your local cooperative or fuel distributor about testing your diesel fuel tank and preventing downtime with AquaFighter.

— Sarah Haugen



AquaFighter detects and removes water from fuel tanks.