

C MAGAZINE

Growing Strength

Nutrients sourced around the world feed U.S. crops

12
Marketing
Tools

20
What's Your
Propane Plan?

24
Soy Comes
Full Circle





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CONTENTS

SPRING 2020

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FEATURES

12 Mastering Marketing Tools

Check this list to see whether you need to add any tools to your plan.

20 What's Your Propane Plan?

It's time to prepare for fall propane needs.

24 Soy Comes Full Circle

New soy uses help farmers on all fronts.



DEPARTMENTS

16 View

Spring arrives in the American West.

28 Briefs

The latest news from CHS.

30 People

A farm family helps lead community efforts to keep holidays bright.



Growing on **6** Nutrient Strength

A global supply chain works year-round to ensure fertilizer is in place for the growing season.

ON THE COVER: Refilling warehouses is a constant task as fertilizer demand peaks early in the growing season. An extensive global supply chain and steady communications all along the chain help maintain volume and manage price for farmers.

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Jay Debertin, president and CEO, CHS

Responding with Purpose

Predictability and consistency have become especially precious commodities in this COVID-19 world. While the cooperative system and CHS have always worked to provide reliable products and services, we have never dealt with disruptors as significant as those caused by this pandemic.

Even with those changes and the need to act and react quickly in response to concerns for health and safety, the seasons continue to change and the 2020 growing season is underway. We know crops will be planted, newborns will take their first steps, and farmers and ranchers will do what they do best: produce food for the world.

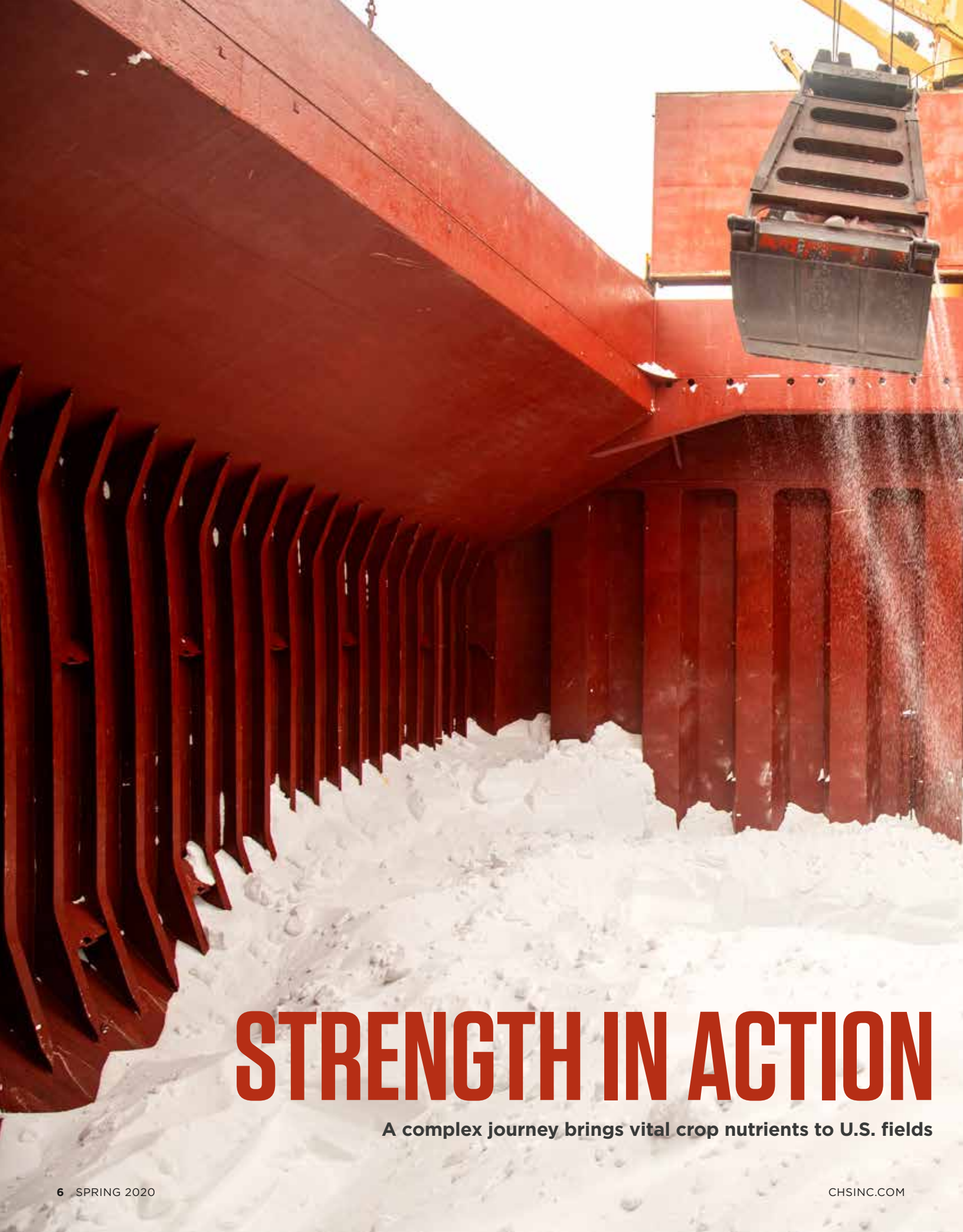
As you'll read in this issue of C magazine, at CHS, we have spent most of our 90 years assembling an efficient, dependable supply chain that sources crop nutrients from manufacturers across the globe and delivers them by ship, barge, rail and truck to warehouses and farms throughout the U.S. That supply chain was put to the test in 2019 through flooded rivers and unpassable rail lines and roads. This year, the challenges are different, but our network was ready with fertilizer in place for the spring season.

But even the best supply chain can't function effectively without the hard-working people who dedicate long days and entire careers to helping farmers and ranchers succeed. Today, we are especially grateful for the people who are on the front lines in communities across the country and around the world as they continue to do their jobs while protecting the health and safety of their customers and their communities.

I know this remarkable industry will withstand this difficult time. Stay safe and take care.

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

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



STRENGTH IN ACTION

A complex journey brings vital crop nutrients to U.S. fields



By Cynthia Clanton

Pulled from deep under the Earth's crust in another hemisphere, harvested from ancient seabeds in Florida or transformed from natural gas deposits beneath the American Heartland, it's a complex journey for crop nutrients from origin to final destination. Every load that arrives at a field at the right time to feed hungry crops is a logistical achievement — one that requires analyzing millions of data points; orchestrating a constantly moving network of ships, railcars, barges and trucks; and managing an extensive supply chain informed by local expertise. >

Global crop nutrient supply chain

> Playing Home and Away

With an investment in domestic nitrogen production through CF Nitrogen, LLC, and long-term relationships with nutrient suppliers around the world, CHS provides a reliable supply of crop nutrients. A relationship with Mosaic in Brazil also builds overall volume and year-round product movement to enhance the role of CHS in the marketplace. Those connections also mean CHS has access to market intelligence that helps influence fertilizer supply and price for U.S. customers and owners.

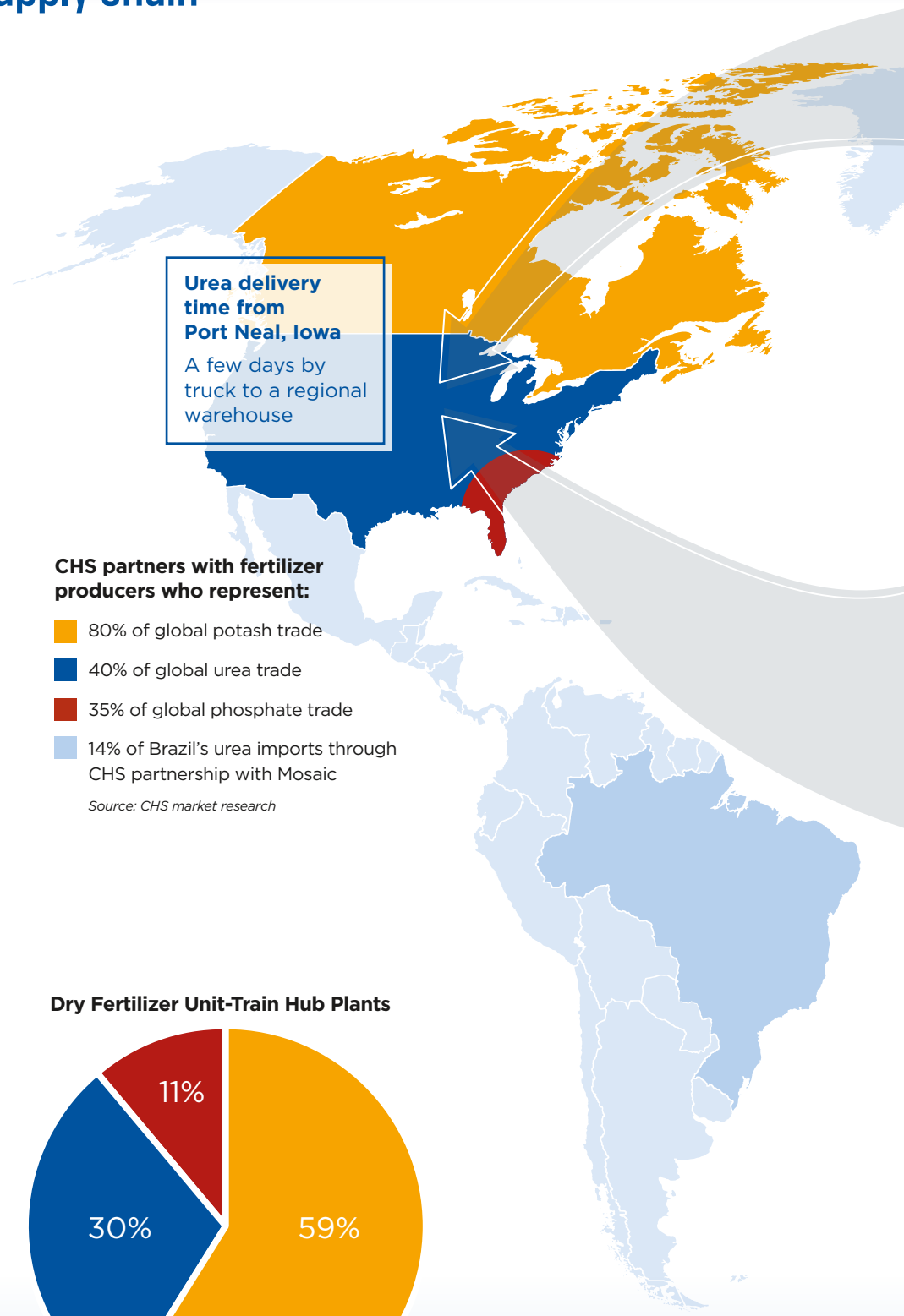
Putting the “Multi” in Multimodal

Counting on a supplier with access to transportation by sea, rail, river and road means there’s always a way to deliver crop nutrients. The spring of 2019 tested that theory, when flooding closed the U.S. river system for much of the spring and CHS logistics experts moved fertilizer by train and truck to northern warehouses. Putting barges on the river is still the most cost-effective and preferred way to move tons when possible.

Cooperatives Call the Shots

With hundreds of local warehouses and a network of efficient crop nutrient hubs, cooperatives control most of the dry fertilizer storage in the Midwest. Not only does this provide a steady, reliable supply of fertilizer for cooperative owners and customers, but it also gives those owners access to patronage derived from fertilizer sales revenues.

U.S. cooperatives control 89% of the dry fertilizer storage and distribution facilities along rail lines.

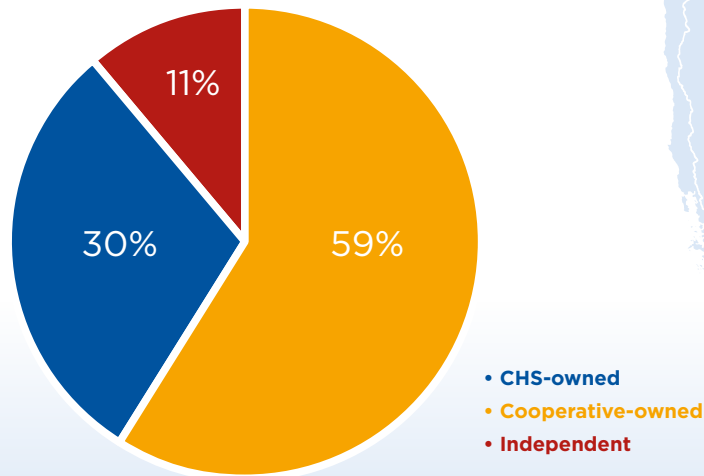


CHS partners with fertilizer producers who represent:

- 80% of global potash trade
- 40% of global urea trade
- 35% of global phosphate trade
- 14% of Brazil's urea imports through CHS partnership with Mosaic

Source: CHS market research

Dry Fertilizer Unit-Train Hub Plants



Source: CHS market research

Phosphates delivery time from Morocco

10-15 days on an oceangoing vessel
 +3 days to offload into barges
 +4 weeks by barge to St. Paul
 +A few days by truck to a regional warehouse
 Total: 44-49 days

Phosphates and potash delivery time from Russia

30 days on an oceangoing vessel
 +3 days to offload into barges
 +4 weeks by barge to St. Paul
 +A few days by truck to a regional warehouse
 Total: 60-70 days

Urea delivery time from Arabian Gulf/Africa

20-40 days on an oceangoing vessel
 +3 days to offload into barges
 +2 weeks by barge to Memphis
 +A few days by truck to a regional warehouse
 Total: 40-60 days

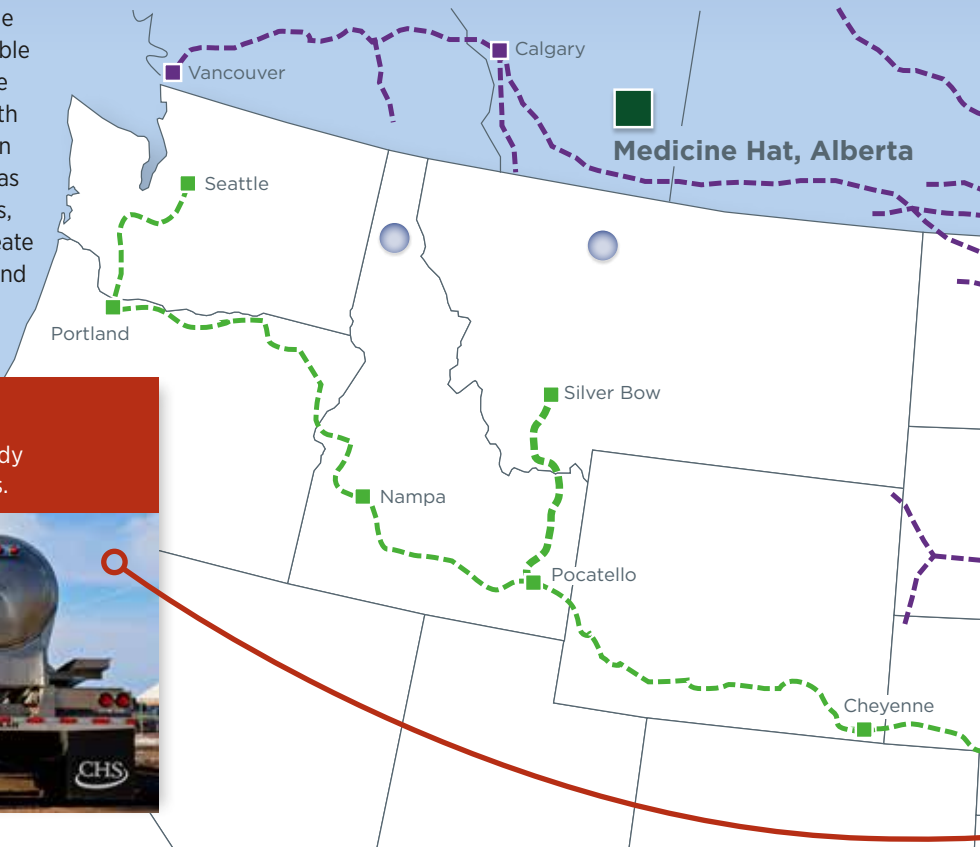
U.S. gains more crop nutrient independence

	U.S. production	U.S. imports	U.S. exports	U.S. demand (estimated)
Urea (nitrogen)	7 million tons	5.5 million tons	600,000 tons	11.5 million tons
UAN (nitrogen)	13 million tons	2.5 million tons	1.3 million tons	13.5 million tons
DAP/MAP (phosphates)	8 million tons	3.2 million tons	4 million tons	7 million tons
Potash	300,000 tons	8.9 million tons*	35,000 tons	9.2 million tons

*Excludes tonnage imported from and returned to Canada.
 Source: CHS market research

CHS Agronomy crop nutrient network

> Pairing domestic production with global origination, the CHS Agronomy distribution network uses every available means to move fertilizer into place so farmers have the nutrients they need as the growing season unfolds. With access to a deepwater port and multiple transportation modes, CHS teams can position tonnage as efficiently as possible. Constant communication with farmer-owners, cooperatives and fertilizer manufacturers helps CHS create accurate forecasts to ensure shipments arrive on time and are distributed effectively throughout the network. ■



Nitrogen production

CHS investment in CF Nitrogen, LLC, provides a steady supply of domestically produced nitrogen fertilizers.



Deepwater port

The CHS deepwater port at Galveston, Texas, accepts ships filled with urea and phosphate from ports around the world. Nutrients travel north by rail from Galveston.



Inland terminals

A network of terminals throughout the U.S., owned by CHS or in partnership with local cooperatives, helps ensure timely delivery of crop nutrients to prepare for the next season and to meet in-season demand.



RAILWAY SYSTEMS

- BNSF
- Union Pacific
- Canadian Pacific
- CSX

- ★ Global Headquarters
- Crop Nutrient Terminals, Joint Ventures
Not shown: leased facilities
- Crop Nutrient River Terminals
- CF Nitrogen, LLC, Facilities
- CF Industries Facilities
- ▲ Phosphate Mining Districts

River assets

Strategically placed terminals along major U.S. waterways bring tons of imported fertilizer north from New Orleans, La.



SEE MORE: Take a closer look at chsinc.com/Galveston.

*Joe Lardy is a research manager
with CHS Hedging.*

*Just like the array of tools in a
well-stocked shop, it pays to have
access to the right marketing tool
for each need.*



MASTER MA



By Joe Lardy

Early season grain price volatility used to be largely driven by weather. Today we have weather effects, plus other influencers, including trade agreements, global health concerns and renewable fuels demand. Now more than ever is a good time to leverage risk management tools.

Always start with a good marketing plan based on understanding all your costs and your profitable target price. No one knows when the market will spike, so set your plan, understand the tools and place your orders ahead of time so you can act quickly when price opportunities occur. >

MARKETING TOOLS



> FUTURES: THE HAMMER

Think of futures like a hammer: a simple tool with one primary purpose: to lock in a price for protection against a market downturn.

A futures contract is a relatively simple tool; you're either in the market or you're out. When the futures market rallies to a price that is profitable for you, simply sell futures for the month you are most likely to deliver the grain. That includes locking in a price for a crop you haven't planted yet.

Let's say you sell a July 2020 corn futures contract at \$4.00. If the futures market is below \$4.00 in July (when you sell your grain to your elevator and immediately buy futures to close out your futures position), you gain money on your hedge. At the same time, you will likely see your cash inventory go down in value because futures and cash prices tend to move up and down together. Conversely, if the market goes above \$4.00, you lose money on your hedge, but you should gain on the cash side.

Using futures impacts cash flow. You have to post initial margin any time you trade futures to cover potential losses in your account. For example, a recent corn futures contract (a fixed quantity of 5,000 bushels × \$4.00 per bushel) has a value of \$20,000. The amount of initial margin you are required to pay is roughly \$1,500. In return for posting margins, a producer gains a \$20,000 tool to help protect a portion of inventory against price swings at harvest.



OPTIONS: A SET OF SCREWDRIVERS

Just as there are many types of screwdrivers for different tasks, there are different choices associated with option contracts.

When you buy an options contract, you have the right to buy or sell an underlying futures contract, but you don't have to exercise that right — you can offset it or let it expire. You do not have to post margin when buying options because you pay the full value up front.

When you sell an option, you always have that obligation, but you get to collect the premium to assume the risk. If you pick a strike price (the price at which you get to exercise your option on futures) near the current market price, it costs more.

Call options give you the right to go long in underlying futures. Put options give you the right to go short. Think of calls like buying and puts like selling. As prices go up, call options gain value and put options lose value.

Minimum price example using a call option: You would buy a call option when you think prices might go higher and you don't want to have buyer's remorse because you sold your cash inventory too soon. Let's say December 2020 futures are trading at \$3.90 per bushel and your cash price is \$3.70. You sell your cash corn at \$3.70 and buy a \$4.00 call option for 22 cents, establishing a cash floor of \$3.48 (\$3.70 minus 22 cents). If futures spike, you participate in that upside, but the market has to reach the strike price before you benefit.

Minimum price example using a put option: You would buy a put option when you expect the market to go lower. Say December 2020 futures are \$3.90 bushel and the cash price is \$3.70. You buy a \$3.70 put option for 14 cents, establishing a cash floor of \$3.56. If the market starts to move higher, you participate in that upside

penny for penny. Your downside is protected because you have the put option in place.

How you use the options tool will depend on your situation. Producer A wants to sell corn, but worries prices will go higher, so he buys a July \$4.20 call for 10 cents and sells the cash position. In that case, the producer's basis and cash positions are covered and there's no margin payment on the option. Producer B is willing to sell corn if the market rallies, so she sells a July corn \$4.20 call for 10 cents. The producer is comfortable leaving the cash and basis side open, knowing higher margins will be needed if the market goes up.

OTC CONTRACTS: THE WELDER



Like a welder, over-the-counter (OTC) contracts are more complex, but can be an extremely powerful tool when used at the appropriate time.

CHS Hedging offers OTC contracts through local cooperatives and elevators, which producers can access through a CHS Hedging Compass contract. One example is the Price Builder Bonus contract. Say the contract offers a price of \$4.15 with a \$3.60 trigger price. If you choose to contract 3,000 bushels over 300 days, you will price 10 bushels daily until either the trigger price is hit or the 300-day period ends. If futures are trading at \$3.90 on day one, you price 10 bushels at \$4.15 and earn a 25-cent bonus. You continue pricing 10 bushels at \$4.15 every day for the next 299 days unless the market drops to \$3.60 or below, at which point no more bushels will be priced. On day 300, if you're still pricing bushels and the market price is above \$4.15, you are obligated to sell an additional 3,000 bushels at \$4.15. You might end up selling only 10 or 100 bushels, or you might sell 6,000 bushels. OTC contracts are flexible, so your local elevator can offer you a Compass contract that is tailored to your needs, including contracting any number of bushels. ■

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.

More Marketing Tool Ideas

- AgSurionSM Risk Consulting, a service of CHS Hedging, uses a proven model to help producers develop smart risk management plans.
- A CHS Pro Advantage contract can extend and diversify your marketing program by authorizing experienced trading experts to price a portion of your grain inventory.

LEARN MORE: Find out how CHS Hedging pros can help give you more confidence and less worry at chshedging.com.







RIISING TO THE CHALLENGE

Spring arrives slowly and beautifully in western Wyoming. Within the state's border are more than 18 million acres of public lands and nearly 43 million acres of federal mineral estate managed by the U.S. Bureau of Land Management.

The region is a popular destination for fishing, hiking, skiing, trail riding and camping and is home to Grand Teton National Park, with Yellowstone National Park only a few miles to the north. The parks have temporarily closed in response to the COVID-19 pandemic, so the eons-old peaks and green valleys wait patiently for outdoors enthusiasts to return.

— *Cynthia Clanton*

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Planning FOR Propane

PROTECT YOUR OPERATION
FROM DEMAND PEAKS

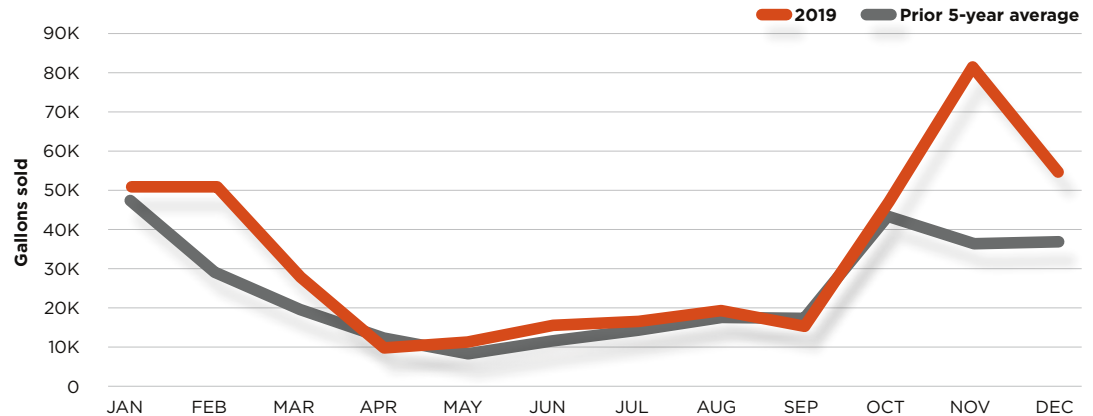
Forget the polar vortex. When it comes to propane, a nasty autumn can be the real record-breaker. Fall 2019 proved that point. >

Propane powers grain dryers across the United States. For many farms, larger tanks would offer a more stable, reliable propane supply.

Double Propane Whammy

CHS propane sales in heavy grain-drying states
(Iowa, Minnesota, North Dakota, South Dakota)

Propane demand typically peaks during harvest and home-heating seasons, but 2019 showed how the demand can spike when there is a wet crop and home-heating needs call for more propane at the same time.



Source: CHS Propane

> Three issues caused the historic spike in propane demand in late 2019:

First, grain harvest normally happens gradually from south to north. But due to wet spring planting and delayed harvest, fuel to power grain dryers was needed across a larger geography all at once.

Second, the late harvest meant high-moisture corn was coming out of fields across the Midwest. By early November, only 52 percent of corn was harvested. That was 23 percent behind the five-year average, according to a USDA report. The wet crop required more propane to dry it sufficiently for storage.

And the third blow to propane supply: A colder-than-normal November caused an early start to the home-heating season.

The high demand for propane was felt by Midwest farmers, and many cooperatives and propane marketers were forced to prioritize meeting needs for heating over drying during the busiest weeks in November and December.

There was no propane shortage — the issue was getting propane to the right place at the right time, says Adam DeLawyer, vice president, CHS Propane. “There’s more than enough propane being produced in this country. What we saw in fall 2019 was that U.S. infrastructure for moving propane from one place to another was not built to meet the historic levels of demand.”

On-Farm Storage Is One Solution

One farmer who didn’t feel propane pain in late 2019 was Eric Zell, who farms corn and soybeans and raises beef cattle near Huron, S.D., with his wife, Windy. After a wet season about 10 years ago, he put up grain bins and a large dryer system so he could handle crop storage on-site.

Zell didn’t want to deal with propane tanks that needed to be filled frequently, so he worked with Joel Kemnitz, certified energy specialist at

Despite supply chain challenges, CHS Propane moved record volumes of propane for owners and customers in November 2019.

CHS Farmers Alliance to buy a used transport-delivery-sized propane tank.

“It’s important for producers to think about their harvest capability, the number of combines they have and the capacity of their dryer. This helps determine if their operation should have more on-farm storage,” says Kemnitz.

Zell reports the benefits are threefold: He only has to fill his

“What we saw in fall 2019 was that U.S. infrastructure for moving propane from one place to another was not built to meet the historic levels of demand.”

— Adam DeLawyer

propane tank about twice a year; he can fill when prices are low; and he has enough storage on-site to handle harvest seasons like 2019.

“As we were drying corn, my tank started to get low and Joel told me the crunch was coming, so I filled my tank and that got me through harvest with no problems,” says Zell.

The on-farm storage setup also allows him to harvest and dry corn early in the season, then harvest soybeans and work his way back to corn that’s been drying in the field. “I get more out of my acres and get the most yield,” says Zell.

As Zell grows his operation, he’s now evaluating propane storage on his newly built house. “I have seen the benefits of having a large amount of propane on-site and I want that for my house to run my appliances and my generator and to heat my home.”

Reevaluate Over Time

Changes to any farm operation mean gauging and adjusting propane storage. For years, South Dakota corn and soybean farmer Terry Marshall let nature do the work in drying his crop, but he knew 2019 would be different.

Right before fall 2019, he set up a new grain-drying system for his five bins and added four 1,000-gallon propane tanks.

To evaluate his needs with a new dryer system, Marshall, who farms with his wife, Dawn, and sons, Taylor and Dan, worked with Kemnitz to see how much propane he’d need on the farm. “Joel and I looked at the dryer specs and the grain volume we would be handling per hour and contracted the season’s supply accordingly,” says Marshall, who says he is considering larger storage options for the future.

“The biggest thing a producer can do to prevent supply issues

any time of year is have the right amount of propane storage on the farm,” says DeLawyer. “Work with your propane supplier to make sure your tank capacity fits your operation’s needs.” ■

Finding an Affordable Tank

CHS Propane and your local propane provider can work together to establish an affordable solution for your farm. Work with your supplier to review the rate you can harvest your crop and the capacity of your dryer, which will determine the correct size storage for your farm. Contact your local cooperative this spring to learn how you can be prepared for fall harvest.

South Dakota farmer Eric Zell dries his corn and soybeans using a transport-delivery-sized propane tank (12,000 gallons). Throughout harvest 2019, he only needed the tank filled once.





SOY

Soybean yields can now be protected with help from an adjuvant made from refined soy oil produced from soybeans grown by cooperative owners.

By Kenna Rathai

CIRCLE

From the field to the processor and back to the field, new soy uses build demand

The best ideas usually come from the ground up. About two years ago, a team of CHS agronomists, sales specialists and retail partners was holding its annual product discovery session. The group was discussing current product concepts and grower needs.

“At that meeting, our customers identified the need

for a unique crop adjuvant that was superior to other products on the market,” says Troy Greenfield, manager of crop protection and digital products for CHS Agronomy. At the time, most agronomy adjuvants were made with unrefined vegetable or petroleum oil.

Someone in the group asked this question: “What if we tried using refined soybean

oil as the key ingredient?” Greenfield connected CHS Agronomy Director of Product Development Brian Kuehl with soy oil refining experts in CHS Processing and Food Ingredients, and they began developing an adjuvant that delivered not only better performance, but other benefits for farmers, cooperatives and other retailers. >

An Adjuvant That Begins and Ends in Your Fields

Petrichor™ is part of an exclusive family of adjuvants with soybean oil refined by CHS from soybeans grown by farmer-owners. The new drift control and deposition aid helps produce uniform spray droplets that are the right size for peak performance.

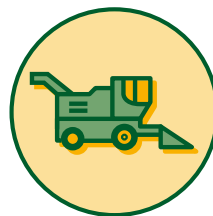
Droplets that are too fine can drift away from the target plant, says Brian Kuehl, director of product development with CHS Agronomy. If droplets are too big, they bounce off the leaf. But droplets that are the precise size lead to better deposition.

When using Petrichor, growers can be confident crop protection products will adhere to the target leaf so they can penetrate the surface and go to work. Better deposition also makes products less likely to wash off during irrigation and rain.

When herbicides, fungicides and insecticides stay on target, the result is better weed, disease and insect control, adds Kuehl. "That's how Petrichor helps maximize input investments while protecting crops."



Soybeans are grown by farmer-owners



Soybeans are harvested



Soybeans are marketed through the cooperative system

> All in the Family

"Creating superior products to help growers is a top goal," says Greenfield. "Using ingredients that come directly from their farms means we're investing in their success and creating more value for the products they grow."

The new line of adjuvants marketed by CHS Agronomy starts with soybeans grown by CHS farmer-owners. CHS crushes the soybeans and processes them into refined soy oil for many uses, including as a key ingredient in a new line of adjuvants. The adjuvants are sold for use with crop protection products through cooperative and retail customers.

"It's like we're keeping it in the family," says Kuehl.

Proof Points

Kuehl explains that the development team experimented in the lab with various ratios and percentages of refined oil and began with six adjuvant prototypes. The list was narrowed down to three trial products

that were tested under field conditions.

"There was nothing but positive feedback from the retailers and farmers who used the formula last spring," Kuehl says. "They said the quality was a night-and-day difference from other adjuvants, from handling, mixability and storage stability to how well the formula did what it is supposed to do: help the

crop protection product stay on the target plant."

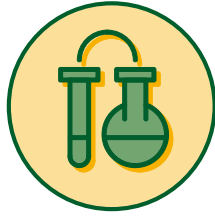
Kuehl adds this development process was the fastest one he's ever seen in bringing a product to market, not only because it was a high priority for customers who had asked for an adjuvant with these qualities, but because the trials went so smoothly, offering customers a solution to their challenges.



Soybeans grown and harvested by cooperative farmer-owners are trucked to the CHS soy processing facility at Fairmont, Minn., for crushing. Soy oil is refined at the CHS plant in nearby Mankato, Minn., for use in soy-enhanced adjuvants.



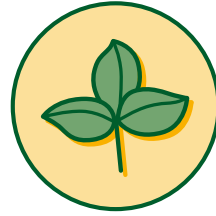
Soybeans are crushed and the oil is refined at CHS facilities



Refined soy oil is used to create adjuvants



The adjuvant is applied with crop protection products



Protected soybeans bring added value to farmer-owners

Future Expansion

This spring sees the first widespread use of Petrichor™, a new product in the exclusive line of high-performance adjuvants made from refined soybean oil by CHS. Another product, which will be available for the 2021 growing season, is a crop oil concentrate that will improve penetration of crop protection products into the plant surface and also includes refined soybean oil.

Kuehl is already looking beyond this season to the possibility of expanding the pipeline of products using refined soy oil. “We’re excited to be working on a number of additional products, including ones specifically designed to work with new active ingredients from pesticide manufacturers.”

“We are proud of this lineup of products and being able to offer unique solutions to customers’ challenges that are backed by CHS and the farmers themselves,” Greenfield adds. “Petrichor and other products in the pipeline embody the cooperative spirit we strive for every day at CHS.” ■



Soy-enhanced Petrichor™ is part of a new line of high-performance adjuvants that includes refined soy oil.

“The quality was a night-and-day difference from other adjuvants.”

— Brian Kuehl

LEARN MORE: Ask your local cooperative or retailer about soy-enhanced adjuvants from CHS.

CHS REPORTS \$125.4 MILLION OF NET INCOME FOR SECOND QUARTER FISCAL 2020

CHS Inc. has reported net income of \$125.4 million for the second quarter of fiscal year 2020 ending Feb. 29, 2020. This compares to net income of \$248.8 million in the second quarter of fiscal year 2019.

The company reported revenues of \$6.6 billion for the second quarter of fiscal year 2020 compared to revenues of \$6.5 billion in second quarter of fiscal year 2019. In the first six months of fiscal year 2020, CHS reported net income of \$303.3 million compared to net income of \$596.3 million for the same period in fiscal year 2019.

"Today our top focus is on our core value of safety—including the health and safety of our employees, farmers, our owners, our customers, our local cooperatives and the communities where we live and work around the world—as we all navigate the impact of COVID-19," says Jay Debertin, president and CEO of CHS Inc. "The investments we've made in our infrastructure connect farmers and local cooperatives to the inputs and services they need during this busy spring season."

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

	Three Months Ended		Six Months Ended	
	Feb 29, 2020	Feb. 28, 2019	Feb 29, 2020	Feb. 28, 2019
Energy	\$138,921	\$306,585	\$301,074	\$539,046
Ag	(20,845)	(62,398)	(34,707)	17,920
Nitrogen Production	5,741	10,712	22,191	34,391
Corporate and Other	4,007	6,956	24,667	37,730
Income before income taxes	127,824	261,855	313,225	629,087
Income tax expense	2,130	13,551	8,794	33,668
Net income	125,694	248,304	304,431	595,419
Net income (loss) attributable to non-controlling interests	247	(462)	1,102	(851)
Net income attributable to CHS Inc.	\$125,447	\$248,766	\$303,329	\$596,270

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

CHS PARTNERS WITH PLUG AND PLAY NORTH DAKOTA

CHS has joined Microsoft, Bremer Bank and others as founding partners of Plug and Play North Dakota to help identify technology solutions for farms and cooperatives.

Plug and Play is a global innovation platform that gives corporations access to entrepreneurs who develop solutions to existing challenges.

"This partnership provides more opportunities for us to help local cooperatives, independent producers and customers leverage technology to build farms and businesses of the future," says Nick Colbert, director of corporate development, CHS.

CALL 811 BEFORE DIGGING PROJECTS

As your spring projects get underway, be sure you're breaking ground with caution. Before your equipment hits the dirt, call 811 for a free check for underground utilities and pipelines.

The process is simple: Call 811 or visit clickbeforeyoudig.com three days before a digging project, wait for underground utilities to be marked and don't dig within 2 feet of those markers.

It's best to call 811 even if you think you know the location of a utility line, since many are less than a foot under the surface. "In the U.S., an underground utility is hit every nine minutes, causing dangerous consequences," says Tina Beach, public awareness specialist for CHS. "It takes a lifetime to build a farm; it takes just one free call to keep it safe."





CHS COMMUNITY GIVING COMMITS \$125,000 TO COVID-19 RESPONSE

CHS Community Giving has donated \$125,000 to the Greater Twin Cities United Way, local social service agencies and Feeding America to assist with COVID-19 response efforts. “In these uncertain times, it’s important we come together to support those who need it most — both in the Twin Cities and in rural communities where CHS plays a vital role,” says Jessie Headrick, director, CHS Community Giving. “Through these partnerships, we’re working to help address some of the most critical community needs, including food, shelter, childcare and hygiene supplies.”

HELP POSITION THE COOPERATIVE SYSTEM FOR THE FUTURE

Strong, diverse owner participation is key to a viable, progressive cooperative system. To encourage engagement and input from all farmer-owners, the CHS Board of Directors has adopted a policy on eligibility for service on the CHS Board and committees related to the CHS Annual Meeting, such as committees handling resolutions, rules and credentials.

Any ag producer who is a Class A member of CHS or belongs to a cooperative that is a member of CHS is eligible to serve on the CHS Board or an annual meeting committee. Additional people in a farming entity also are eligible to serve if they meet these requirements:

- Actively engaged in operating the farming entity (as further defined in the policy),
- At least 18 years of age, and
- Holds ownership interest in the farming entity or is a spouse, parent, sibling or adult child of an owner of the farming entity.

CHS Directors must also meet qualifications for service, including having farming or ranching as his or her primary occupation.

“We want to promote diversity in leadership for CHS and give our farmer-owners more opportunities to step up and share their ideas for a vibrant cooperative system,” says Dan Schurr, CHS Board chair.

OWNERS FORUMS GO VIRTUAL IN 2020

To protect the health and well-being of our owners and employees, the CHS Owners Forums program will move to a virtual format this summer. We are planning an early June webinar that includes business and financial updates and time to answer owners’ questions. Watch chsinc.com for details on timing, registration and how to submit questions in advance.



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





CHS farmer-owners Jon and Sarah Guentzel experienced the 2019 light display with their son, Gabriel. The Guentzels raise soybeans and corn on sixth-generation Guentzel Family Farms near Mankato, Minn.

Making Memories

By Annette Degnan

Why do hundreds of community volunteers climb trees and ladders, organize electrical cords, test 1.7 million LED lights on miles of strings and spend more than 12,000 hours decking out Sibley Park in Mankato, Minn.? One simple reason: to bring joy and delight to thousands of families and groups who visit the Kiwanis Holiday Lights display each year.

Jon Guentzel, a Mankato-area farmer, Kiwanis Holiday Lights board member and CHS customer, has seen that delight firsthand.

"A lasting memory for me is the look on my niece's face when the lights came on and knowing that so many other people were experiencing the same moment of happiness and wonder," he says.

Every year, Sibley Park is loaded with lights, festive music, live reindeer and enough holiday decorations to turn National Lampoon's Clark Griswold green, red, purple, blue and gold with envy. The annual display runs from the Friday after Thanksgiving through New Year's Eve.

"It's a great way for young families to enjoy the simple pleasure of spending time together outdoors without spending any money," says Guentzel. The event is free and entirely led and operated by volunteers.

Guentzel says it became clear to him at a young age that giving back is one of the most rewarding acts a person can experience. He became involved with the annual event by donating the use of his farm equipment and labor. That quickly evolved into a seat on the Kiwanis Holiday Lights board.

"It's fun to interact with the volunteer groups and to get to know people from the area organizations that benefit from the dollars and food donations generated during the 33-day event," says Guentzel.

In 2019, more than 160,000 people visited the eighth annual Kiwanis Holiday Lights, sponsored by the Mankato Area Foundation and CHS Processing and Food Ingredients. A record \$65,000 was raised and donated to 69 area nonprofit organizations.

"It's great to see so much community support," says Guentzel. "Our community is helping to **create so many memories.**"

LEARN MORE: See the 2020 schedule at kiwanisholidaylights.com.



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Working Smarter

Working harder, faster and smarter is the norm for every business looking to improve efficiency and bottom-line results. But with only so many hours in a day, sometimes it helps to offload tedious tasks to nonhuman helpers.

Meet Ava, a robotic process automation program, also known as a virtual assistant. Ava runs in the background on a laptop, tracking and settling crude oil transfers from the CHS soybean processing plant in Fairmont, Minn., to the company's soy refinery in nearby Mankato, Minn.

"We're still in the early phases of rolling out the program," says Heidi St. Clair, director of supply chain automation, CHS Global Grain Marketing, "but it's clear a virtual assistant can accurately and quickly process transactions without human intervention so employees can focus on higher-value tasks."

Before Ava, it would take two hours to manually input data for about 50 truckloads of crude oil and settle each shipment one by one. Now it just takes a few minutes to prepare a spreadsheet for Ava to work from.

Ava is the first virtual assistant at CHS. Others include Gordon, who is being programmed to assist with rail services, and Finn, who will help with settlements at CHS grain terminals in Winona and Savage, Minn.

"Our goal is to improve settlement and payment times by automating the process, so we can create a better experience for our customers and farmer-owners," says Steve Oberlander, finance and accounting manager, CHS Global Grain Marketing.

— Kate Haggith

