

January 2017

The Ledger

CO-OP MEMBER NEWSLETTER



Annual Meeting Invite

The Annual Meeting of the Patrons of
CHS Larsen Cooperative
will be held on

Monday, January 30, 2017

***Snow date Tuesday, January 31, 2017**

**Crystal Falls Banquet Hall
1500 Handschke Dr.
New London, Wisconsin**

**Dinner served at 6:00 p.m. with meeting to follow
Agricultural comedian will follow business meeting**

**Business meeting will include voting on the election of
two directors at 8:00 p.m.**

**Dinner tickets can be purchased at Center Valley,
New London, Readfield, and Weyauwega for \$7.50 each.**

No Tickets Sold at the Door

Tickets must be purchased before *January 25, 2016.*

Agricultural Comedian

Jerry Carroll
Farmer and Agricultural Speaker



Farmer, comedian, and host of TV's *Amazing America*, Jerry Carroll, harvests a bumper crop of hilarity in his fast-paced, high-energy presentation. His entertaining and relatable topics about everyday life crack up the most hard-to-please crowds.

Jerry found humor growing up on his family's farm. From the time he could walk, Jerry joined his father and uncle to farm 130 acres of flue cured tobacco, 500 acres of corn, 500 acres of small grain, 500 acres of soybeans, 40 head of cattle, and 5,000 hogs per year.

Spending 14 hours a day in a tractor cab gave Jerry plenty of time to think about his life's dream of entertaining people and making them laugh. Since beginning in 1993, Jerry has performed for crowds in venues ranging from local cattlemen's association banquets across the United States to the Ministers of Provincial Parliament in Toronto, Ontario, Canada.

When he's not on the road making people laugh, Jerry still works the fields of his family's farm. This experience makes him one of the nation's most sought-after farm speakers for agribusiness events.

**IN THIS ISSUE:
PRODUCER BOARD CANDIDATES PG. 2**

Board Member Nominations

This year we will be electing two board members at the annual meeting:

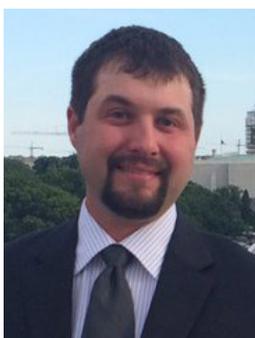
One South Region and One At-Large Region.



Neal Krohlow and Jill, his wife of twenty-eight years, have three children: Sam 27, Bridget 24, and Joey 20. Krohlow is running for the At-Large board position. He was born and raised on a dairy farm that he continued to farm with his wife for 20 years. Eleven years ago, they transitioned from dairy to cash crop farming. They run 600 acres of corn, soybeans, wheat, and alfalfa. He is a graduate of Seymour High School and is still active in the community. Krohlow enjoys snowmobiling and golfing in his free time. He is on the board of the Nichols Go-Getters Snowmobile Club as well as the Vice President of Crystal Springs Golf Course in Seymour, a club which he has served for seven years. He is also an active member of Immanuel Lutheran Church of Cicero. He wants to be on the CHS Larsen Cooperative Board to keep the co-op moving forward in the right direction. He sees great benefit in the use of technology and precision ag, and he feels he would be able to bring farmer representation from the northeastern side of the cooperative. Krohlow served as the nominating committee chairperson for the 2015 election. He markets most of his grain at CHS as well as purchases all fertilizer from the co-op. He keeps an open communication with our grain and agronomy department so he can stay updated with what is happening. As a board member, he can listen to the members' needs and embrace change as a part of the growth of CHS Larsen cooperative while staying competitive in the area.



Alan Tank and Penny, his wife of fourteen years, have two children: Danielle 8, and Joshua 5. Tank is running for the At-Large board position. He owns and manages Stone Fence Holsteins Dairy Farm in New London. They have 70 cows and young stock and run about 200 acres of corn, soybeans, and alfalfa. Tank is a graduate of UW-River Falls where he completed his Bachelors in Animal Science in 1987. Outside of farming, he is very active in his community. He enjoys his bowling league, helping with FFA Alumni as well as being on the Emanuel Lutheran Church Council. This year he is also finishing up his term with the FSA County Committee. Tank has served on the co-op board for nine years. For five of those nine years he has been the co-op Secretary. He thanks all the voters for their confidence in him over these years, and he welcomes the opportunity to use the knowledge and experience gained to help guide the co-op into the future so it can meet the needs of the producers and continue to strive to be their preferred supplier into the future. It is more important now than ever with margins as tight as they are that the co-op support the producers and their operations. That may mean timely application of the right plant food or crop protection products, delivery of quality livestock feed, supplying quality fuels and lubricants, or many other things. This also means carefully thought out growth and expansion to continue to meet the needs of the producers into the future as the economy improves, which he feels it will.



Erik Salm and Heidi, his wife of seven years, have three children: Oliver 5, Aubery 4, and Jacob 1. Salm is running for the South Region position. He is the fourth generation farmer on 5K Acres Farm. Salms cash crop 1,200 acres of corn and soybeans with his father and grandfather. Erik focuses on the new technology available to the farm, such as precision ag. The 2016 growing season was their first season with their 360 Y-drop® system. Always looking to further his education with farming, he is currently attending Fox Valley Technology College. In 2017, he will graduate with his Associates degree in Agribusiness. Erik would like to be on the CHS Larsen Co-op Board to offer a different perspective on agriculture and the co-op system from the next generation of farmers. He would like to be a new voice in ag topics, including technology opportunities as well as the needs of this next generation coming into making the farm decisions. Erik and his wife have been very active with the co-op. They attended the CHS New Leader Program in Minneapolis in 2015. They also represented CHS at the National Council of Farmer Cooperatives in Washington, D.C. where Erik and Heidi advocated for cooperatives on a national level. They lobbied for important agricultural bills that were going to affect the future of agriculture and our cooperative system. He also chairs the CHS Young Advocates group which he helped establish this past fall. This group provides young CHS members a way to be more active in our local co-op as well as our community.

Thank you to our Nominating Committee:

Roger Bacon, Mary Behnke,
and Mike Verhasselt

Making a Return on Your Investment

By Todd Reif, General Manager



The fiscal year of 2016 was an agricultural leadership success and a financial success. Normally, not much time is spent looking back, but for this annual meeting report of 2016, I would like to describe how the year turned out.

In light of all the challenges that agriculture was facing, the co-op

pulled through profitability this year. The primary challenge was the reset from an all time high commodity price during 2016 to customary levels from 5 years ago. Beginning in 2010 and into 2014, there was plentiful farm income which funded efforts to get “extra bushels or pounds of milk”.

During 2016, commodity prices dropped and all inputs were rightly scrutinized by the producer and the stakeholders in the farm, such as lenders and consultants. I am happy to say that the employees of CHS Larsen Cooperative were quite aggressive in taking a lead position in helping decide what was affordable in production ag where CHS Larsen Co-op was involved. Did this mean changing from the model of producing at all costs? Absolutely, everyone had to adjust, and the risks were abundant: marketing risks, input cost risks, technology risks, and the evaluations were critical for future success.

In the annual board/management planning session, much time was committed to this very discussion. I invited four producer guests who contributed to the discussion. My “ah-ha” moment was from a simple comment at the end of the session, “If it has a return on the investment, then we will implement it”. Now with today’s hindsight, that statement is simple but it was our guidepost for the entire year, such as in the cases of if an input had a return, if a service had a return, if a piece of technology had a return and so forth... that statement told me that funding was available for the right things and that the producers were looking for these incremental investments.

CHS Larsen Cooperative’s year was financially successful as well as being successful in guiding our staff and patrons with inputs and costs. This year was successful in positioning the company with long term investments. Profits are a result of mitigating risks, positioning with the right offerings, and taking a proactive approach in the market place. Business needs to be earned every day.

In 2015/2016, some of the accomplishments were as follows:

1. Readfield and Center Valley grain projects started in the spring of 2015 and were functional for harvest and completed in the summer of 2016. This fall we were met with a record high soybean and corn harvest and we’re thankful for our speedy unloading and drying systems when we weren’t full.

2. Feed received the HACCP certification, and in late September, the FISMA certification. The mill quality has increased significantly, which is something to be proud of and important to our growers. We are finding with these updates we are more price competitive.

3. Agronomy has several accomplishments. Seed has doubled in the past three years, and this year we launch the CHS brand of seed called Allegiant. We had the most growth of Monsanto seed in Wisconsin. Precision Ag is well-supported by the growers and meeting the thresholds of being a viable resource for the growers as part of CHS. Customers have made it clear that they need help in discerning what Precision Ag can provide. CHS Larsen Co-op is considered among the leaders of Precision Ag, and our efforts continue to grow as we repurpose Larsen to have a state-of-art facility for Precision Ag. We added two custom application units and tendering to the modern fleet as well as adding to the Chemical building.

4. Energy was challenged by a warm winter, and LP sales were lower but responded in having proper amounts of product purchased and available while minding expenses. Customers were taken care of and profitability was maintained. Recently, we implemented the Optimizer LP delivery program that helps organize deliveries in a smarter way.

5. In retail, we had the sale of the C-stores in Wild Rose and New London. The difficult – yet important – part of ensuring our future success comes in reconfiguring assets where we can serve customers most efficiently and competitively.

Another major success in the making at CHS Larsen Co-op is with our patron development and improved connections with the co-op. In this past year, we have had 75 learning experiences with 43 patrons. I am truly appreciative of this tremendous growth in our connection with our patrons at CHS Larsen Co-op through the many opportunities for patrons to benefit their farm business and for personal development. The co-op gains by having much better insight from producers. My conviction is that this is a two-way street. It is my goal that the experience should be a return of value to you or your farm business, while having some fun along the way. In the event you get a chance to participate or see an opportunity for the co-op to take leadership, we encourage you to do so.

The many actions I mentioned directly influenced the positive financial results of \$4.3M local earnings. I thank you as it took a full enterprise comprised of patron participation, staff dedication, and industry development.

How Does the West Shore Pipeline Affect You?

We want you to be prepared for this change as it could affect your business operations.

It has been well-publicized on the local TV stations and in the newspapers that after a three-month closure for testing, inspections and repairs, the West Shore Pipeline Co. made the decision to shut down the 55 year old line from Milwaukee to Green Bay indefinitely. There is no economic plan in place currently to help soften the blow of this closing. Fuel companies have resorted to pulling fuel from other terminals, which are more than 100 miles from our Green Bay terminal. Since these other terminals are not designed to accommodate servicing more trucks than usual, they are backing up with lines that will have tanker drivers waiting hours to fill.

The media seems to be focused on how this will affect the price at the pumps. I understand that much of the supply in Green Bay is delivered to the local gas stations, but there is a second piece to this puzzle that is being overlooked, which is the supply of fuel to our farms. Since supply has never been an issue in Northeast Wisconsin, many of us are completely unprepared and don't even realize it. Do you have enough storage on your farm if fuel is at a shortage? Rule of thumb: Farmers should have enough storage on site to cover seven days worth of usage during

peak season, planting or harvesting. So, short answer: if you use 10,000 gallons of diesel in spring and 10,000 in fall, and typically, this fuel is used in a four to six week period of time, you should have somewhere between 1,700 and 2,500 gallons of capacity for your diesel use. Are you covered?

For anyone that cannot answer "yes" to the above question, please do not fret. CHS Larsen Co-op has created a program to help anyone in need of more storage on their farm. We will deliver a 1000 gallon tank with a standard pump and all the accessories today, and let you pay for it over the next 5 years. Now through February 15, 2017, we will sell you a complete 1,000 gallon set up for \$2,370.00. With six simple payments of \$395 per year, this tank is yours. In addition to increasing your storage capacity, there will also be some fiscal value for everyone. It is no secret; the more fuel you can deliver per stop, the more efficient you become. Keeping this in mind, we have adjusted our pricing to reflect a "volume discount."

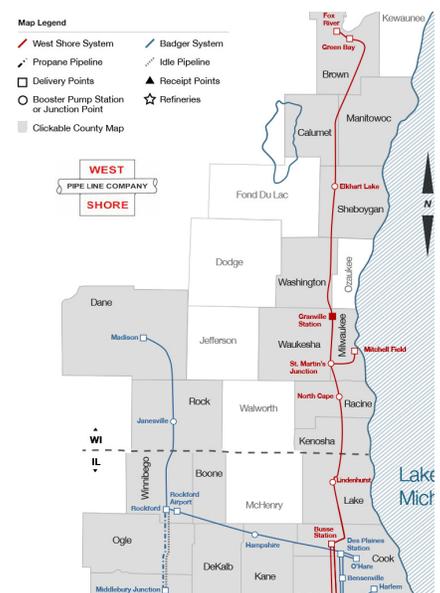
The savings for delivery to two-1,000 gallon tanks as opposed to one-1,000 gallon tanks is \$0.06 per gallon. If you only use 10,000 gallons of fuel annually, your savings will be \$600.

So, let's do the math.

\$600.00 (savings on tank upgrade)
 (-) \$395.00 (annual tank payment)

 \$205.00 (savings: in your pocket)

That's right folks! You are actually getting paid to add a very valuable asset to your farm! I urge you to call the local salesperson in your area and order your tank now!



Maximize your Potential Yields in your 2017 Crop Plan

As a farmer-owned co-op, when CHS introduced a new seed brand, we made sure we asked farmers exactly what it was they wanted.

Farmers wanted corn and soybean seed that incorporates the most advanced genetic technologies, sensibly priced. Which is exactly what we did. Introducing Allegiant seed from CHS. For farmers by farmers.

We continue to offer top of the line genetics from the leading seed companies, including DeKalb/Asgrow, NK, Mycogen, and our new Allegiant seed brand.

If interested in receiving email updates on what is happening with our agronomy division, sign up for our email alerts on our home page at www.chslarsencooperative.com.



Town of Center Fire Department awarded CHS Safety Grant



CHS Larsen Cooperative employees Jeremy Hunt, Andy VanDyck and Mary Kay Clevener awarded a CHS Safety grant for \$1,825 to the Town of Center Fire Department Joe Hofacker, Fire Chief and Matt Harrison. The fire department plans to use these funds to purchase a multi gas monitor. This would give them the tools to recognize and monitor hazardous gas furthering their capabilities in keeping our community safe.

The Town of Center Fire Department has a great working relationship with CHS Larsen Cooperative. Yearly, the fire department comes the co-op to do their annual training on advanced rescue and confined space, with neighboring mutual aid fire department. The emphasis of this training is to further understanding of the cooperative's facilities, its hazards, and how they can better handle any possible firefighting or rescue needs.

This multi gas meter will help the fire department serve the community and the co-op by giving them the ability during an emergency call to detect a possible gas leak and to monitor for the presence of other dangerous gases. This is useful when determining if a home is safe for its occupants or if a location at the co-op is safe for firefighters to operate in.

"Having a multi gas monitor will help us in preventing further illness to occupants after they suspect a problem," said Joe Hofacker, Town of Center Fire Chief, "Additionally this will also help firefighters to handle those emergencies in the safest way possible by being able to detect and monitor dangerous gases."

CHS Larsen Cooperative is very grateful to have such a great fire department to work with in case of any future emergencies and is happy to provide opportunities to support them. If you have any interest in applying for a safety grant or to learn about CHS Stewardship, visit our Community page at chslarsencooperative.com under the community tab.

Cooperative Giving

CHS Larsen Cooperative is invested in the long-term success of the communities in which we live and work.

CHS Larsen Cooperative is committed to create a strong future for rural America and to give back to our communities with our time, talent, and resources.

We continue to look for ways to support our producers in the communities we reside through our local and CHS scholarships, *Harvest for Hunger* donations, and grant programs.

Our Scholarship Programs are now available on our website. It's never too early to apply for scholarships.

\$20,000 in CHS Larsen Co-op Scholarships

Encourage your high school and college students to apply for the CHS Larsen Cooperative Scholarship. Find more information under the Community tab on our website. www.chslarsencooperative.com/community/scholarships

One-hundred \$1,000 CHS Inc. Scholarships.

Graduating high school seniors, pursuing a degree in an agricultural-related field at any college or university throughout the United States and Canada are invited to apply for one of one-hundred \$1,000 CHS scholarships on the CHS website. www.chsinc.com/stewardship/leadership-development/scholarships

CHS Harvest for Hunger

For the past three years, we have participated in the *CHS Harvest for Hunger Campaign*. As a local cooperative, we collect food, monetary, and grain donations to help keep local food pantry shelves stocked. Everything we raise is then matched by CHS. Since 2011, over \$2.1 million and 2.3 million pounds of food have been donated to food banks across the U.S. to help feed hungry families across the nation.

Locally, in the past three years, CHS Larsen Cooperative donated \$30,023 and over 9,035 pounds of food which stayed in the communities in which we reside. We welcome any donations of non-perishable food items and momentary donations now for our 2017 campaign. If you'd like to bring your donation to the Annual Meeting, we will have a collection bucket.

Seeds of Stewardship

CHS recently launched a new grant support program. *Seeds of Stewardship* is a matching grant opportunity for those seeking funding for large projects that develop the next generation of ag leaders or improves ag safety in your community. Grants are evaluated on a competitive basis and funds are not guaranteed. Watch for more information on our website under the Community tab and at the annual meeting.



CHS LARSEN COOPERATIVE
 PO Box 308
 New London, WI
 54961

**Important
 Annual Meeting Invite
 Inside!**

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@chslarsencooperative

Planning Ahead Can Save Big Dollars

Spring is probably not “top-of-mind” right now. However, I encourage you to start planning for next year.

Some of you have made or are in the process of making decisions on the seed, feed, crop protection products, and fertilizers you will use next year. You do this to assure that you have a plan in place that everything runs smoothly. By having your financing needs in line, you can make this happen with ease.

Your cooperative offers a wide range of agricultural financing programs through CHS Capital LLC which can meet just about everyone’s needs. One of our goals is to help our customers increase their profitability. You may ask “How can financing increase my profitability?” First off, we know farming and we know you, and that gives you a great advantage in securing the funds needed to make your operation run smoothly. By securing a loan through CHS Larsen Cooperative, your account is paid on time which avoids interest charges. It also ensures that you receive our cash discounts. These factors add up to substantial amounts of money. Have you ever added up your interest charges and lost cash discounts in a year? If you have, I am sure you will agree, that money is better off in your pocket. It is a direct savings to you and adds to your profit.

We offer many types of loans, and two of our most common are convenience credit and operational loans. Convenience credit loans are designed to be used solely for purchases from CHS Larsen Cooperative. Operating loans are used for CHS Larsen Coop purchases as well as “other” needs like repairs, rents, labor, etc. In either case, the process is easy, straight-forward, and fast. Feel free to contact me or your CHS Larsen Co-op salesperson. I will gladly meet with you to fully explain our programs at a time and place that is convenient for you.

Dave Banks, Loan Officer 920-982-1111

CHS Larsen Cooperative Directory

Main Office

920-982-1111 • 800-924-6677

Agronomy Sales	920-982-1111
Energy Division	800-924-6677
Bulk Fuel Orders	920-982-1111
New London Farm Store	920-982-1111
YieldPoint Precision Ag	920-982-1111
Weyauwega Feed Mill	920-867-8700
Amherst Grain	715-824-2676
Readfield Ag/Grain	920-667-4955
Center Valley Ag/Grain	920-734-1409