

RIVER COUNTRY COOPERATIVE



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FALL 2017 EDITION

Industry Drives Continued Evolution

By JOHN DUCHSCHERER, GENERAL MANAGER/CEO

In 1980, the U.S. average corn yield stood at 91 bu/A. In 2000, that figure was 136.9 bu/A, and it hit 174.6 in 2016. My point? Constant improvements in every phase of agriculture, from technology to genetics to equipment, continue to reshape our industry. Those individuals and organizations that did not adapt no longer exist.

Our challenge at River Country Cooperative is to adapt to change, grow our business to provide the scale needed to match that of our patrons and keep our current assets up to date. It is a process of continual evolution.

With that in mind, I would like to provide an overview of some of the initiatives we're undertaking to ensure that River Country Cooperative remains a viable partner for you, our customer. You can read about some of these projects in greater detail elsewhere in this newsletter.

Additions and acquisitions

When we consider where to invest our resources, we work to determine which assets will help us best serve our patrons. Along those lines, we will be making the biggest investment in River Country Cooperative history in the form of a new agronomy center in the western portion of our territory.

The Montgomery agronomy facility has reached the end of its operational life, and we need a new, modern facility to serve the needs of our producers now and into the future. We've selected a site within the Le Center city limits, and we're finalizing plans and collecting bids. If all goes as planned, we'll break ground this fall and expect the facility to be operational in the spring of 2019.

On our energy and retail side, we continue

to look for opportunities to expand our convenience store portfolio. We have acquired our 10th Super America store, located in St. Francis. This location will fit in nicely with our northern group of stores.

Finally, we have acquired property on Highway 10 just west of Ellsworth, Wisconsin, that will serve as the new home for our propane plant. When we acquired Pierce Pepin Propane, the purchase

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**Intern
Nicole Lau
and Dean
Larsen
check
soybeans.**

Industry Drives...

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agreement specified that we relocate the propane tanks. Once the permits and paperwork are finalized, we will move the tanks and utilize the existing building as a shop and office.

Improvement through investment

We are also making significant investments in existing facilities to improve service. One such project is the addition of a new dryer, legs and spouting at our Hastings grain facility. Details can be found in the article on page 3.

Wise resource allocation also involves deciding when the costs involved with improving assets exceed the potential economic return. That has been the case in the past, as we have divested some of our small convenience stores and grain facilities. That is the situation in Hampton, where we will be demolishing the fertilizer plant and shop.

To consistently deliver a level of Service Beyond, we will continue to acquire viable additions, add capacity and improve existing facilities. We will strengthen strategic partnerships, such as our relationship with Dekalb/Asgrow. Perhaps most significantly, we will work to secure the talented staff needed to provide a high level of service and expertise. Identifying that talent is one benefit of our internship program, which was in full swing this summer with six participants. It's also the reason we've brought Christy, Harold and Jay onboard.

We continue to evolve as a cooperative because your business doesn't sit still. We appreciate the privilege of working together with you through this, and every, growing season. ★

Agronomy Team Grows Stronger

WE'D LIKE TO INTRODUCE YOU TO THE THREE NEWEST ADDITIONS TO THE RIVER COUNTRY COOPERATIVE AGRONOMY TEAM.



Christy Bauer, Sales Agronomist, Hastings

A Hastings native, Christy first became interested in a career in agriculture when visiting the Hastings agronomy location with her father, a River Country Cooperative customer. "I liked to come down here and talk with everyone," she recalls. "Dale Dohrman would always give me a hard time, but he's also pointed me in this direction."

Christy recently graduated from the University of Wisconsin-River Falls with a degree in agricultural business and a minor in crop science. During her last two summers she interned at Farmer's Co-op Elevator in Rushford, Minnesota.

She got off to a fast start with a "wet and busy" spring, and enjoys meeting and interacting with producers. "I like that the customers here are open to new ideas and willing to try new things," Christy says.



Harold Manthey, Sales Agronomist, Montgomery

From his childhood growing up on a dairy farm between Janesville and Waseca through a long career, Harold has always been involved in agronomy. He's worked as a location manager and in sales management, and most recently worked for CFS Cooperative as agronomy sales manager and strategic

account manager.

"What attracted me to River Country Cooperative was the cooperative's financial strength and the vision that John Duchscherer and Dale Dohrman have for the company and for the agronomy department," Harold says. "I really appreciate their focus on customer service, because that's how I'm wired too."

Harold is looking forward to getting acquainted with a new group of customers and a new company culture. "I like helping customers take things to the next level," Harold states. "I like being on the leading edge of new technologies and services, and challenging the grower. In the process, they challenge me to do better."



Jay Schlomann, Sales Agronomist, Montgomery

Jay brings with him to River Country Cooperative more than 15 years of experience in ag retail, having worked as a location manager and sales agronomist, most recently with Crystal Valley Cooperative. Getting to know the territory has been his first priority since coming to River Country Cooperative in April.

"Though I did know the area, I didn't yet know our customers, so that has been job number one," Jay says. "I've been driving around meeting farmers, learning about their operations and adding new numbers in my phone every day. That's what I love about this business—going from struggling to remember a name to that day when you get invited to their kid's graduation. It's about becoming a part of the farmer's operation."

Jay notes that while each farm has specific needs, some things are universal—and that's where experience really helps. "Once you're talking face to face in the field, you'll find common questions and struggles that correlate with something you've dealt with before," he says. "You'll know the action that needs to be taken." ★



River Country Welcomes 10th Super America Store

A healthy organization is a growing organization, and that certainly describes our family of Super America stores. We're excited to announce the acquisition of our 10th Super America store, located in St. Francis. It's financially healthy, has a very nice corner location and is a good geographical fit with our existing stores. We looked at more than 15 potential acquisitions over the past year, and the St. Francis store was the one that met our criteria.

As we seek to provide a consistently outstanding customer experience, we continue to upgrade our stores inside and out. We've replaced the pumps in our final two stores, Miesville and Kenyon, with brand new chip compatible dispensers. In Kenyon, we also replaced the floor at the same time to minimize the impact on our customers.

Visitors to our East Bethel and Inver Grove Heights Super Americas have enjoyed the new f'real® frozen treat machines we've installed. It's always the perfect time to enjoy a f'real milkshake, smoothie or frozen cappuccino.

We've also improved our stores in areas our customers may not notice. Digital cameras have been installed at all our stores to promote safety. We've also switched our back-office software to a well-known industry program—a change that will improve our efficiency.

Serving you is our first priority, and we will continue to grow and improve so we can do that with excellence. ★

Grain Upgrades to Keep You Moving

Perhaps more than any other aspect of our business, grain is all about service. We know you have many different options when the time comes to deliver your harvest, so we're working to make our Hastings grain facility a more attractive destination for your grain.

With the ever-increasing size and speed of harvesting equipment, the harvest comes in more quickly every year. Our goal in upgrading our facility is to increase grain handling speed to move trucks through more quickly in the fall.

To do that, we're installing a new dryer, three new grain legs and new spouting. The new legs will increase our receiving capacity to 10,000 bushels per hour, more than double our previous capacity. We're also restructuring our spouting to move grain more efficiently, allowing us to change quickly between crops and wet or dry grain.

The new dryer will also increase total drying capacity, as well as give us much greater control over the quality of the grain coming from the dryer—good for both our coop and our grain customers. As a final part of the project, we're also taking down two old bins that are no longer usable.

This project is an example of our ongoing effort to evolve with you as your farming operations change. Along with improved service to you, we hope these upgrades draw additional bushels to our facility from farmers who may have been considering a new home for their grain.

The grain project is scheduled to be operational prior to harvest this fall. ★



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Dekalb® and Asgrow® Partnership – More Than Seed

As a key part of our commitment to provide River Country Cooperative agronomy customers with service beyond the acre, we're pleased to announce a renewed business partnership with Dekalb and Asgrow seed brands for the 2018 season.

These national, premium seed brands enable our agronomy staff to fully utilize the resources of Monsanto's Climate Corporation and their lineup of crop protection products to provide service beyond the unit of seed.

By utilizing technology to integrate seed selection and placement, fertilizer management and crop protection products, our agronomists can help you maximize your yield potential and profitability.

Quality Dekalb and Asgrow seed plays a key role in our commitment to a long-term, whole-acre approach that begins with the seed choices you make. River Country Cooperative sales agronomists will be contacting you soon to discuss your 2018 seed needs. ★

Don't Guess ... Test

If there was ever a time for precision, it's now. Tight margins make every penny important, so why waste inputs on acres that won't respond, while robbing nutrients from your top-producing ground and bushels from your bin? Grid sampling, linked to zone management and variable-rate fertilization, is key to putting nutrients in the right place and in the right amount.

River Country Cooperative offers 2.5- and 5-acre grid sampling options as part of our ever-growing Precision Complete program, as well as precision planting, precision nitrogen and nutrient removal recommendations. "With prices tight, managing nutrient application by using yield data and creating removal recommendations is the way to control costs," states Andrew Duncomb, Hastings location manager. "No matter what route you go, if it's been four years since you last sampled, you definitely need to get that done this fall."

After you receive your recommendations, don't wait to apply. "There are good reasons to put at least a portion of your fertilizer on in the fall," notes Montgomery location manager Lowell Tangen. "Look at some of the challenges we've had the last several springs. It's much more efficient to apply in the fall. Fertilizer prices also tend to be lower in the fall, and this year are as reasonable as we've seen in years. Fall application is good for you and helps us handle the spring workload."

Tangen adds that grid sampling has shown a very healthy return on investment over the years, no matter where crop prices are.

When applying this fall, Dean Larsen, Randolph location manager, points out that new rules make it more important than ever to handle nitrogen fertilizer properly. "We won't even sell anhydrous ammonia without stabilizer now," he states. "In fact, a lot of producers who



spread manure are using a stabilizer now, and reporting good results."

He adds that River Country Cooperative offers custom anhydrous application services with either a chisel or toolbar.

Help at harvest

Are you running some hybrid comparisons or just want to check your yields? We have a weigh wagon available. Give us a call to schedule and we'll meet you in the field. River Country Cooperative also has fall fuel and grain drying contracts available. Talk to any River Country Cooperative staff member to line up your energy needs.

For your energy needs, please contact your River Country Cooperative sales staff. ★