

Planning to Succeed

By Bill Ahlbrecht, CEO/General Manager

With the turn of the calendar, it seems that everyone is looking ahead to this new year and wondering what it might bring. Many ag economists are indicating there are signs it could be another profitable year for most of our producers, although the usual uncertainties will always be there.

Demand continues to be strong for most of the commodities produced in this part of the Midwest. At risk of sounding contradictory, I am concerned that economic weakness and inflation will influence that demand over the next year. Grain markets continue to be strong with corn prices being down a little and soybeans up well over a dollar since harvest. On the opposite side of things, we've seen class III milk prices drop nearly \$3 per cwt.

Crop production nutrient and protection supplies appear more stable; however, prices continue to be volatile. That combined with higher interest rates and employee costs across the nation will be a challenge.



The great unknown continues to be the weather. We all budget to “normal” crop size but this year again finds us uncertain of what to expect. Winter moisture has been very good so far with minimum frost, and some may be getting into the soil. The moisture from the snow is certainly starting to help the river system and that will continue when it melts.

Don't talk yourself into underproducing your crop. We will always have the uncontrollable to worry about: too hot, too dry, too cold, too wet, too windy... but you need to plan for success.

If last year taught us anything, it was that cash flow is needed from every bushel, right up to the last one. To keep those bushels coming in abundance, giving attention to every acre is necessary.

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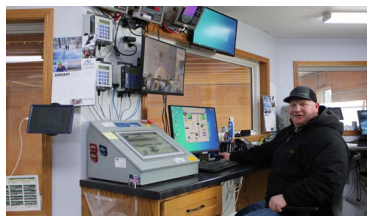
Spotlight: Elgin Agronomy Center Open for Business >

By Terra Wierson, Communications Specialist



On February 1, Ag Partners agronomists, AYS specialists, and support staff from multiple locations in Plainview, MN transitioned their offices to our new Agronomy Center at 27594 County Road 25 outside of Elgin, MN. Soon to follow, by spring, will be warehouse product and personnel. The phone number is the same across the campus: 507-871-3740.

In late January, I had the privilege of touring the new facility with management and our Board of Directors. We started in the shop- a 13,000 square foot, impeccably clean shop. Here we will have space for our equipment maintenance and storage, complete with an office, a loft and wash bay. Heading outside, we passed by the existing receiving bay and entered the 2018 fertilizer plant where we learned about the computer systems being used in bulk fertilizer automation and capabilities. Pictured here are Scott Schwanke (left) and Aaron Nicklay (right) in the control tower.



Next was the warehouse. Crews were still working to complete the last stages of construction, but most of the guts were in place, including a large grouping of chemical and liquid fertilizer tanks, and the rough-out of offices and a break room on the far west end. The middle section of the warehouse offers a loading dock and already houses the large seed treater, giving the Board a nice backdrop for the photo below. The warehouse soon will hold product storage racks and customer pick up space for seed, and crop nutrition and protection products.

The front, east end, of the building is the attached office space. There are 6,000 square feet of offices, work stations, two small meeting rooms, a large work table, a 50-person training room, and a break room with a kitchenette.

All of the buildings, existing and new, at the Elgin Agronomy Center have been designed with an ultimate goal of efficiency, for both employees and customers alike. Joining the multiple locations from Plainview here will improve communication and work flow, creating a better experience for our customers. John Tighe (pictured here in his new office), Elgin's location manager says, "I can't wait to have everyone at the same table," referring to the previously scattered staff meetings. "It'll save so much just to be on the same page, which will give us more time to spend on our customers." He pointed out the extra time it takes to drive to a different location to pick up equipment or a load of product. We recognize this change will not be as convenient for everyone. To help remedy the extra distance for some customers, products can still be dropped at other Ag Partners locations that are closer to their farm.



We plan to have an open house late March before spring gets too busy. -- So, come to check it out - and bring a neighbor!

Once the entire facility is up and running, the Plainview Farm Store will be the only remaining Ag Partners in the city of Plainview. It's a busy retail store with farm and pet supplies, bird seed, seasonal items, and a feed warehouse, located at 140 3rd St SW, Plainview, MN.

Ag Partners Board of Directors touring the warehouse January 2023.



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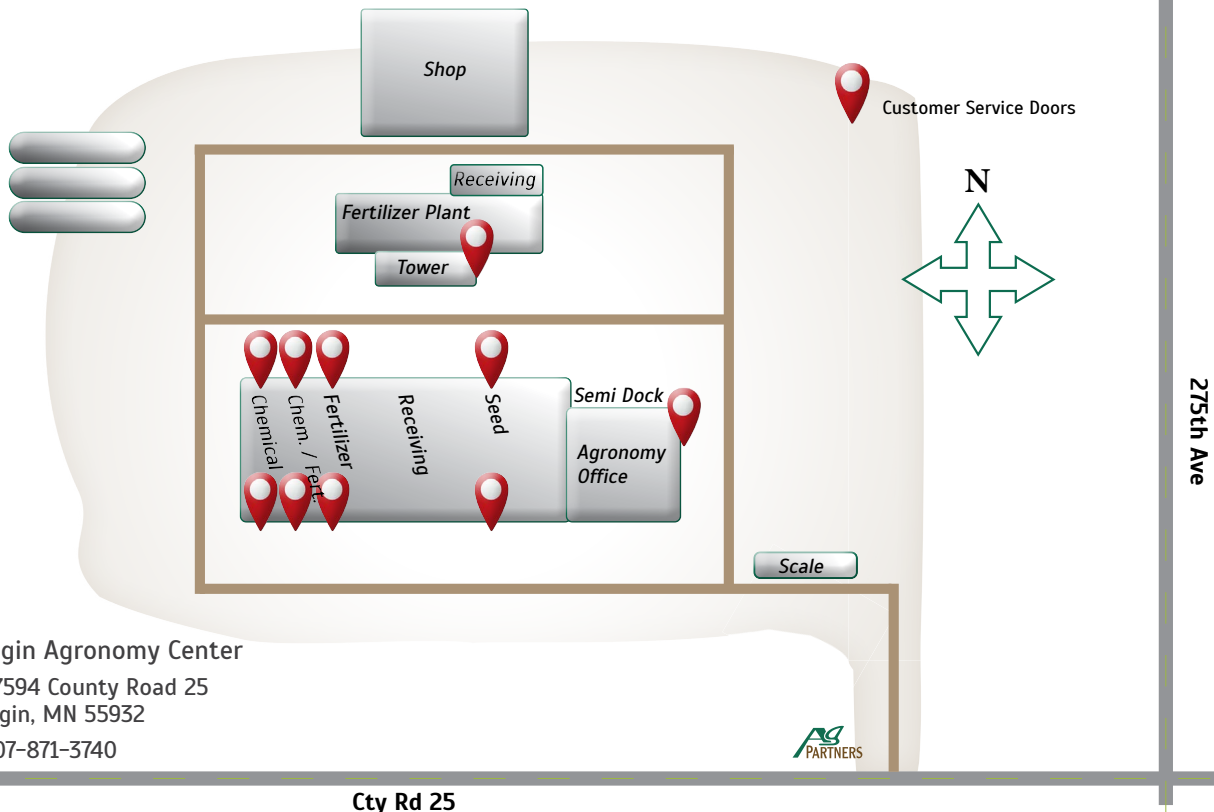
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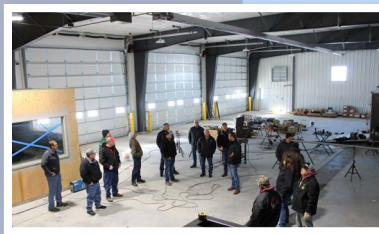
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 Elgin, MN 55932
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As of February 15, 2023 the Ag Partners Energy Department will be headquartered in Goodhue.

Now available, a direct phone number has been established for your convenience.

Ag Partners Energy:
651-923-6004

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Agronomy: Home & Abroad >

By Ryan Ness, Assistant Agronomy Manager, East

The process of generating content for the newsletter is usually simple and straightforward. Much like our vocation, decisions revolve around the calendar and the seasons. These muses serve primarily as reminders meant to stimulate behavior or decision making. With that in mind, I consulted the lexicon, current events, calendar activities, winter planning, agronomic points of interest, etc. Ultimately, I thought a conversation about the new WOTUS (Waters of the United States) rule would be interesting.



In short, the new rule, has expanded the scope of 'waters,' for lack of a better term, under the jurisdiction of the EPA. This has certainly raised concerns with farmers, ranchers, and other small businesses unsure of what impacts increased regulations will have on their businesses financially. It didn't take long for litigation to begin from many farm organizations. These include, American Farm Bureau Federation, National Cattlemen's Beef Association, National Corn Growers Association, American Petroleum Institute, Associated General Contractors of America, and the National Association of Realtors. To take this conversation much further would require walking the tight rope between both sides of the isle or using the entire newsletter to review the 514-page document Revised Definition of "Waters of the United States." This is certainly not the platform for political opinion so I will end my thoughts at this point. I would encourage anyone interested in learning more about the legislation to visit www.epa.gov/wotus.

Other topics coming to my mind, a year in reflection. As we near the anniversary of Russia's invasion of Ukraine I think of the anticipated impacts compared to what really happened. A year ago, we were making plans with suppliers to cover potash and phosphate needs. Supply was a colossal unknown as a high percentage of potash comes from that part of the globe. Looking back, many of the concerns were unwarranted but hindsight is 20:20. Supply chains were certainly not operating at a functional level, further compounding an already challenged system. A year later, supply and pricing has stabilized, in some cases becoming bearish, commodity pricing

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Grain: Opportunities in Contracting >

By Rick Anderson, Risk Management/
Grain Department Manager

I've just finished clearing snow for the sixth time in the new year. It seems like we have a lot of time to think about new crop grain pricing, but it's never too early!

2022 brought the trifecta of crop producing profitability to our trade territory with generally good yields, strong futures, and strong basis (although soybean basis has certainly been volatile). It's rare when we get to enjoy all three at the same time. USDA reports net farm income has hit a new all-time high.

However, when prices are high, it's easy to assume they will remain high and get complacent in our marketing. After all, we have experienced

has continued to hold (albeit inputs are higher), channel inventories are being replenished, and production and supply logistics are improving. China is trying to mitigate the affects of ending "zero covid," Russia and Ukraine are still at war. Domestically we are battling inflation but as we look around world and contrast with what we have at home. We are in a position to have another strong year locally.

I would be remiss if I did not put in an obligatory plug for some winter-time activities. Please finalize crop plans, seeding prescriptions, fungicide plans, etc. Make the most of the next couple of months. Spring, and our next newsletter, will be here before we know it!

times where we thought we were following a good marketing plan only to watch someone who had no plan receive better prices. It feels like due to high farm income and those regrets from selling only to watch prices continue to move higher, we are holding higher than normal levels of grain not marketed. A consequence of holding a lot of old crop grain is that it's hard to plan for new crop marketing when we still have all that old crop to deal with.

Both old and new crop price levels for both corn and soybeans are among the highest we have ever seen for this time of year. It is just good risk management to proactively capture these pricing opportunities. In

the case of old crop, we know how many bushels we have to market. New crop is more difficult since we have that unknown production risk.

Besides the more **traditional marketing** contracts, we have a few more choices available I'd like to make you aware of that might help to get started with your marketing. They can be used with both old and new crop. To understand the advantages and disadvantages of each it's important to discuss this with your grain advisor.

The **Seasonal Average Price (SAP)** contract is very simple corn contract we have been offering for a few years. When you commit bushels to an SAP contract, the contracted price will be the average of the closing market price for each Wednesday for 20 weeks beginning February 8th and ending on June 21st. The SAP contract is available for either July 2023 futures or December 2023 corn futures. When the SAP has been met, you have a hedge to arrive (HTA) contract which the basis can be set into the delivery point of your choice. The December 2023 contract can be used for fall delivery through



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September 2024 delivery. There is a 3-cent fee for the contract and spread fees apply.

The goal of the SAP contract is to capture the risk premium that historically exists in the winter to spring period in 7 out of 10 years before crop size and condition becomes known. It spreads your marketing out over 20 weeks which limits risk and diversifies your marketing. However, there is no guarantee the resulting SAP price will be higher than the market price at time of delivery. In the years we have offered it, we have seen a variety of results from higher to lower or about the same as the market at delivery.

But automatic execution assures your bushels will be marketed. The signup deadline for the SAP contract is February 8, 2023.

The **Knockout (KO) Accumulator** is another contract we offer. This specialty contract requires more care and understanding in its use since many are not familiar with it and it may not be a good fit for everyone. The benefit is offering a contract price better than the current market, but more or less of the initial bushels committed may be contracted. It is best described as trading price risk for quantity risk. The price levels are established but the final quantity is not until the contract ends.

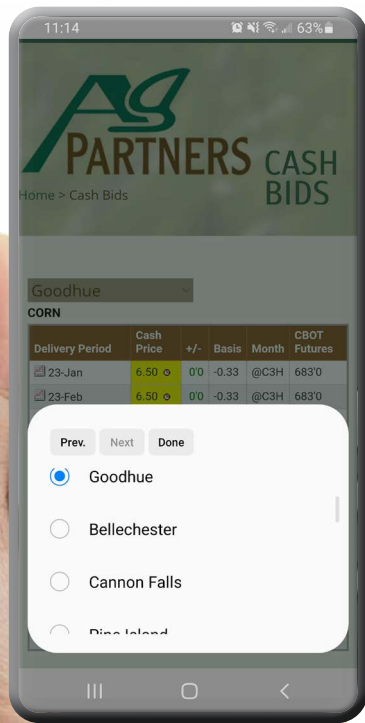
The KO Accumulator offers flexibility in the levels chosen for the Accumulation level and Knockout level. The Accumulation price is the level at which the bushels are priced on a daily basis. There is a double-up to the quantity commitment when the price exceeds the Accumulation price, which can be set up on a daily pricing quantity, or priced at the end of the contract. If the underlying futures price ever touches the Knockout level, any remaining bushels will not be priced. The fees for this contract are the same as they are for a HTA contract with the same underlying futures contract.

Since this contract offers so much flexibility in the terms, it is best to spend plenty of time getting to understand it fully before committing bushels.

We can help with other tools such as **minimum price** contracts and Offer Premium contracts. Just reach out to your local grain advisor for more information and we would be happy to help.

One last note: while we had a very good crop that was put away in good conditions last fall, please monitor your grain in storage to make sure it remains in good condition. Also, please do it safely and never enter a bin where problems are suspected such as bridging and crusting and never enter without a spotter.

Cash Bids are now priced by location.



agpartners.net/cash-bids

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Animal Nutrition: Feed Pricing Risk Management >

By Eric Schultz, Feed Department Manager

The last few years have been far from boring in the feed commodity markets. When reflecting on where we have been, the word volatility comes to mind immediately. While volatility in markets can create opportunities, it also creates challenges for product end users. We continue to hear about the drought in Argentina, which produces approximately one third of the world's soybean meal, and its effect on the soybean meal market. As you can see in the chart below, the soybean meal markets have had several peaks and valleys over the last two years:



Volatility in commodity markets doesn't appear to be leaving anytime soon; in fact we may see more unpredictably going forward. Even though there are no "silver bullets" in purchasing feed for your operation, we do have some tools to assist your feed price risk.

Below are a few examples:

- **Flat Price Fixed Protein Contracts** – secure the exact price of your custom protein mix for an extended period of time
- **Flat Price Fixed Commodity Contracts** – secure the exact price of straight commodities delivered for an extended period of time
- **Basis Contracts** – secure the basis only price on commodities

- **Futures Price Contracts** – secure the futures only price on commodities
- **Grain Contracts** – secure purchase price on grains for an extended period

Be sure to contact our consultants or feed purchasing team if you have questions about contracting options, price quotes, or current market information. We are glad to answer any questions and be a partner in your operation!

Since we found out from Phil last week that we can expect six more weeks of winter, I think this is a good time to thank producers for all the hard work that goes into raising livestock in the Midwest - especially during the cold winter months. Thank you, and let's start looking forward to some sunshine. Spring will be here before we know it!

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How to Raise Your Flock

CHICKEN SEMINAR

**Tuesday, February 21, 2023 at Ag Partners
Town & Country, Belle Plaine, MN, 6 - 7:30 PM**

Expert Speaker:

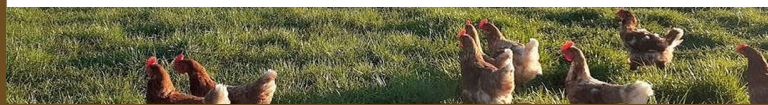
**Kyla Durnford, Purina Equine and
Companion Animal Sales Specialist**



Everything from beginners to expert level
on how to raise a backyard flock

Q&A Time

**Snacks and refreshments served
Raffle prizes given**



Chick Days 2023:

Lewiston Store: April 28

Pine Island Farm Store: May 3

Plainview Farm Store: May 5

Belle Plaine Town & Country:
March 30, April 13, 19, 27, May 11 & 25



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Calf Workshop

**in Spanish, April 5, 10-2:30
Immanuel Lutheran School Gym
30 S. Wabasha St, Plainview, MN**

We will be discussing the “why’s”
behind calf care basics in Spanish.
Topics will include: Importance of
colostrum in calf performance;
Details and consistency: keys to calf
success; Tips for identifying sick
calves early; Antibiotics- The why’s
and how’s

Presenters:

Dr. Julia Hamann – Diamond V
Jorge Delgado- Alltech
Ag Partners Calf Team

Lindsey.Borst@agpartners.net



Seminario de Becerras

**en español, miércoles 5 de abril
Immanuel Lutheran School Gym
30 S. Wabasha St, Plainview, MN**

Discutiremos el “por qué” detrás de los
conceptos básicos del cuidado de terneros
en español. Los temas incluirán: Importancia
del calostro en el rendimiento de la Becerra;
Detalles y consistencia: claves para el éxito
de la Becerra; Consejos para identificar
tempranamente a las becerras enfermas;
Antibióticos- El por qué y el cómo

Los Presentadores:

Dr. Julia Hamann – Diamond V
Jorge Delgado- Alltech
Equipo de becerras de Ag Partners

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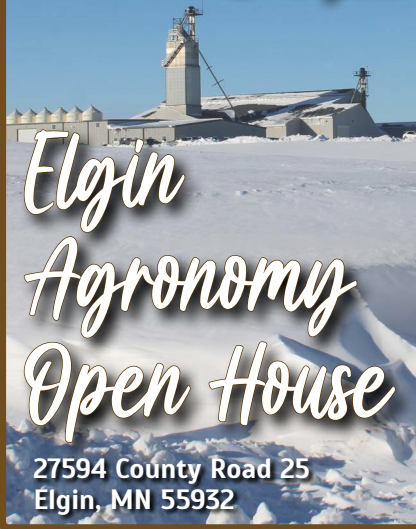
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THURSDAY,
MARCH 30

1-4 pm



Elgin Agronomy Open House

27594 County Road 25
Elgin, MN 55932

Ag Partners Scholarships

Up to twenty \$1,000 awards will be granted this year.

Eligibility: Dependent children of Ag Partners qualifying members who are high school seniors or recent high school graduates, planning to enroll for the first time in a full-time undergraduate course of study at a two or four-year college, university, or vocational-technical school.

To Apply: Visit agpartners.net/scholarships for details and to download the scholarship application. Contact Terra Wierson in Goodhue at 651-923-4496 or terra.wierson@agpartners.net with questions.

Deadline: Applications must be postmarked by 3/31/23.



Recipe Corner: Venison Tostada

*This one should warm anyone up on a cold winter day!
Prep: 20 min. Cook: 15 min. Serves: 6*

1 1/2 lb venison flank
2 tbsp olive oil, divided
1 tbsp black pepper
1 tbsp garlic powder
1/4 tsp salt
1-2 bell peppers, sliced
1 small onion, sliced

16 oz can of refried beans (or smooshed black beans)
8 oz pitted sliced black olives
1 tsp lime juice
12 tostada shells
3/4 cup shredded white cheese
2 medium sliced avocados
1/4 cup chopped fresh cilantro



Recipe from Terra Wierson

Preheat the oven to 350 F. On the stove cook the flank steak in a pan with olive oil, garlic, black pepper and salt to taste. Meanwhile, slice your bell peppers and place the 12 tostada shells on a foil-lined baking sheet. Removed cooked venison from the pan and sauté the bell peppers and onions with oil and the same seasoning to taste.

Slice the cooked venison into bite sized pieces.

Layer on the tostada: beans, venison, peppers, olives, and a spritz of lime juice over the top. Add the cheese. Place in the oven until the cheese is melted. Add avocado and cilantro to the top and serve.

Can be served with sour cream, salsa, BBQ or taco sauce.

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Feed Orders: 651-923-6001
Energy Line: 651-923-6004
By location: agpartners.net/about

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