



Central Prairie Co-op

Today's Technology, Yesterday's Values

NEWSLETTER

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GRAIN TOPICS

See page 6 for details.

ADJUSTING TO THE NEW NORMAL OF CORONAVIRUS



MARK ENGELLAND, BOARD CHAIRMAN

Cancelled, postponed or virtual — these are the new words for May 2020. In a month typically known

for graduations, weddings and the CPC annual meeting, this May stands out as unique.

The far-reaching effects of COVID-19 continue to wreak havoc on “normal” life. Unfortunately, these are not the only words that have made their appearance in 2020. One of the new phrases I learned while practicing my social distancing and reading farm articles online was *force majeure*. It

is one of those terms that definitely sounds awesome, but I never want to experience its reality. The phrase literally means “superior force.” It is

a legal term that is used in contracts that essentially frees both parties from liability or obligation when an extraordinary event or circumstance beyond the control of the parties, such as a war, strike, riot, crime or epidemic, prevents fulfillment of their obligations.

Obviously, the COVID-19 pandemic has disrupted nearly every link of the supply chain. It has also resulted in dramatic changes in the energy, commodity and financial markets. The coronavirus and its impact is definitely a *force majeure*. It is exactly in times like this when strong, responsible leadership in your local co-op makes a real difference. The board of directors at Central

Prairie Co-op has the goal of building a balanced financial position to serve our member owners. We want to become as efficient as possible in every

“ The one lesson that all of us learned from COVID-19 is that ‘normal’ can change in a hurry. ”

continued on next page

The New Normal... continued

department while investing in assets to serve our growers. What this looks like in reality is that we have a long list of what could be done and a tight grip on the financial reins so that we don't over-extend ourselves.

How planning ahead helped us be ready for the unexpected

As a trusted local cooperative, we want to be able to meet our obligations and commitments to our growers. No one on the board predicted the pandemic, but we have planned to be ready if reality doesn't match our expectations. With each investment or realignment of assets, we attempt to examine the expected payout as well as consider the unfavorable outcomes. This means we have held back on some projects, and on others we have decided on alternative ways to accomplish our goals. The result is that we have kept the fertilizer, fuel and

feed moving out the door this spring without interruption. CPC management and employees have been tremendous as they keep farms supplied and maintain healthy anti-virus protocols.

The board of directors takes seriously the trust of our members and our duty to preserve equity while growing our ability to serve the farms of the future. The one lesson that all of us learned from COVID-19 is that "normal" can change in a hurry. How each of us faces that "superior force" of the unexpected is related to how prepared we are for a drastic change in plans. At the end of the day, we should all realize that force majeure is just a way that lawyers express what farmers know all too well — plans change because sometimes you encounter a situation you can't control. ☺

WORKING TOGETHER DURING CHALLENGING TIMES



JOE SCHAUF, GENERAL MANAGER

If you turn on the television or listen to the radio, all you hear is news about the coronavirus. It has consumed our nation and the entire world in a way I wouldn't have thought possible. I was naïve and thought that this was something you only saw in a sci-fi movie at the theatre. But it

is real and it is a reminder of just how fragile our world can be.

I want to take this time to thank our employees for the job they are doing in these difficult and strange conditions. To this point, they have supplied uninterrupted service to our patrons while maintaining a safe environment for our team and for our customers. And I want to thank our customers for understanding the changes implemented to provide this safe environment. Working together, we are and will get through this.

Looking back at a disappointing fiscal year

Fiscal year 2020 is in the books and it was our most disappointing year yet. We finished in the black with a net income of \$33,000. Locally, it was a much different story. The wet weather last spring had a devastating effect that was felt all year long. Agronomy showed improvement, but still has a need for more efficiency. Fuel had a positive bottom line, but the coronavirus negatively affected some contracts at year-end. CHS again paid their patronage in nonqualified equity, which isn't taxed, and per our bylaws we only pay patronage on taxed income. Feed had a very minimal loss and grain ended up in the black locally, but the numbers were down considerably from the year before. So, all that said, this will be the first year since I started managing the coop over 13 years ago that we won't be paying out any patronage.

Cautious planning for challenges ahead

My belief is that fiscal year 2021 will again be a challenge for all of us. The coronavirus has affected everyone and with so many unanswered questions as to when we can return to normal (whatever that is), it causes us all to pause many of our plans. The board of directors and management will again have to be prudent in the decisions we make on improvements to our assets. I know many of you will have to do the same on your farm. We all need to take it one day at a time. We will get through it.

As you are aware by now, our annual meeting has been postponed until Aug. 17th. Per our bylaws, we have six months after the completion of our fiscal year to have the annual meeting. If by that date, we are still not able to congregate our membership in full, we will be faced with some sort of virtual annual meeting. We will keep you posted.

Thank you for your patronage. Stay safe and stay healthy. ☺



The farmer has to be an optimist
or he wouldn't still be a farmer.

— Will Rogers





ALL ABOUT SEED

WHAT WERE THE MOST PREVALENT CROP DISEASES IN KANSAS FOR 2019?

BRENT WERTH, SEED SALES & TRAIT MANAGER



As you plan for 2020, it's helpful to look at the following recap of the most active diseases affecting summer row crops during the 2019 growing season within Central Prairie Co-op's trade territory.

Corn Diseases

Total yield loss from corn diseases was below the long-term average. Gray leaf

spot got off to a slow start but was near normal levels by seasons end. Southern rust had its earliest arrival ever being first reported on July 13. Hot, dry weather stalled its initial development, but August rains contributed to later-season increases. Many growers had decisions to make regarding late-season fungicide applications.



Ear rots were present at a lower incidence than in recent seasons with very little *Aspergillus* ear rot (aflatoxin) being reported. *Fusarium* ear rot was the most common. *Diplodia* ear rot was present, but at lower levels than the past three years. In a few fields that experienced mid-season drought, charcoal rot was present.

Bacterial leaf streak has increased in observations since being identified. Its effect on yield is still being researched.

Soybean Diseases

While soybeans got off to a late start, there were only a few significant disease issues. *Phytophthora* root rot continues to be a growing concern. Rather than early season infections that lead to stem rot and plant death, recent problems have resulted from mid- to late-season rains which is a somewhat earlier maturation of the plant resulting in reduced yields due to a shorter grain filling period.



Soybean cyst nematode (SCN) continues to expand throughout Kansas. With testing of soils, growers are becoming more aware of the potential losses due to SCN. Growers are encouraged to extend rotations and rotate varieties in now infested fields.

Sudden Death Syndrome (SDS) continues to be a problem in river bottom areas. Growers are encouraged to plant the most resistant varieties available and use *Ilevo*® or *Salstro*® seed treatments at planting time.

Fueled by heavy rains, SDS is spreading beyond the normal river bottom locations. Reno and Sedgwick counties are the hotspots for SDS. It's also likely that SDS will follow the Arkansas River Valley areas.


SDS tends to hit hardest on well-managed fields with high yield potential. A soil-borne fungus causes this disease, and tends to be more prevalent in fields that are infested with soybean cyst nematode, soils that are compacted when planted early or when soils are cool and wet.

Sorghum Diseases

Due to an extended dry period in late June and July, disease pressure in grain sorghum was well below average. Sorghum harvest was ahead of the five-year average. Less time standing in the field reduced problems with downed sorghum during harvest time. (



*Statistical information gathered from Sedgwick, Reno, and Rice County Extension Offices



AGRONOMY UPDATE

SUPPORTING YOU THROUGH THIS BUSY SEASON

ALLEN SHIVE, AGRONOMY DEPARTMENT MANAGER, CCA



As I write this, the wheat crop is making great progress and hopefully, we will have an average harvest or better. There is some concern from the late freezes. But one thing I have learned in my 35 years in production agriculture is to never make any predictions when it comes to wheat. It is a very humbling crop and it will do great things when conditions are favorable.

Corn planting is starting in earnest, along with spraying alfalfa for insects, and soybeans will quickly follow. With the above-average moisture, we will see a lot of double-cropping soybeans or milo behind wheat. I would recommend getting your seed needs covered now. We have an excellent supply of soybean and milo seed for full season and double-crop. Give Brent or any of our agronomy sales team a call with any seed, crop protection or fertilizer questions so you can make sure the right product is on the right acre.

Advance planning is important during these uncertain times

With the COVID-19 issue that started in March, we felt it would be a good thing to make sure our growers had the seed and crop protection products on their farm to cover their spring needs. I believe that was a good decision for all of us. If interstate transportation was halted, or a major warehouse of

one of our suppliers locked down, it could have really caused havoc. With only a couple hiccups, I felt the CPC agronomy team did an outstanding job of taking care of our producers. We moved a large percentage of this season's products out of our facilities and into producers' hands in a short timeframe.

Details help us do a better job for you

When turning in acres for spraying or fertilizer application, please let our agronomy staff know as much detail as possible. We have Surety® mapping at the four agronomy locations. Our agronomy team will take the time needed to make sure CPC and the producer, working together, have all the information we need to do the best job we can. This pertains to all crops. It is good stewardship to have a conversation with your neighbor to know what is planted next to you. A lot of issues can be resolved with a little communication.

Upgrades in Chase now complete

The Chase anhydrous ammonia plant was completed in March and is online and operating smoothly. We replaced the three old railcar storage tanks with the storage tanks from Lyons. We added new fill stations along with a liquid pump that is much faster than the old vapor compressor.

With the many challenges outside of our control this spring, we stepped up to the challenge and I believe provided great customer service. I am very, very proud of our people. As always, thank you for your business. ☺

TODAY'S TECHNOLOGY IN THE PETROLEUM DEPARTMENT

EMILY HAAS, PETROEUM DEPARTMENT MANAGER



Moving in the right direction and advancing with technology is the future. The days of making unnecessary stops and guesses on fuel/propane levels in tanks are a thing of the past for most companies. In the CPC Petroleum Department, we are making advancements in technology that help cut time and create more efficiencies.

Many of you may have seen some of these advancements already. Starting internally, we added monitoring systems for our bulk fuel site locations and bulk propane sites. Prior to this upgrade, it took time and someone driving to a bulk location to get daily fuel readings, delaying the planning and scheduling of fuel deliveries in an efficient time frame. Now, monitors at

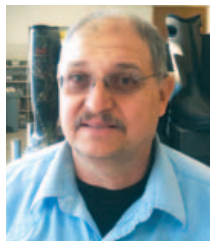
these bulk sites notify us when we receive deliveries or when tank levels change. We currently have monitors on a few other locations as well: Little River, Lorraine and Hutchinson. The ability of having this at our fingertips and being able to make decisions quickly has proved to be very beneficial not only to the Petroleum Department, but to CPC as a whole.

Customers see the value of propane tank monitoring

Propane tank monitoring has been significantly expanded in the last six months. We run on a very tight staff in the Petroleum Department and having these monitors in place helps us take the guesswork out of your delivery. **Eventually all routed propane customers will have a monitor in place.** We can route our trucks to make full efficient drops to your tanks. This helps in eliminating over-servicing your tank, which saves on

NEWS FROM FARM STORES AND FEEDS MILLS

VERTON MILLER, FEED DEPARTMENT MANAGER



Well, I used to think that I had the commodity market figured out — with a pretty good idea of when to lock in certain products at certain times of the year. Then it went global and that made it harder to pick the low. Now the fluctuation is crazy, so we keep trying to hit low spots and because we do cost plus, we pass those savings on to our customers. By the time

you read this newsletter, who knows where the DDG price will be?

The feed delivery route from Hutchinson to our other locations continues to grow, which means our locations are doing a great job of moving product to their local consumers. We did switch from a gooseneck trailer to a box truck for the feed route, which means we took weather out of the equation and it's much safer moving SmartLic® tubs around to locations.

June is Dairy Month

My favorite month of the year is Dairy Month. So, if you get the opportunity, please drink another glass of milk, eat some ice cream or yogurt and put some extra butter and cheese on your sandwich at lunch!



delivery expenses. CPC Petroleum Department receives daily emails that show your tank levels, and that information is brought into the new software where Ronnie creates a daily route. CPC usually schedules delivery to those tanks that are between 20% and 30% during the heating season. This gives you, the customer, peace of mind of not having to watch your tank. It also helps to avoid run-out — which saves us money and allows us to pass that savings along to you. Monitoring gives us the most current reading and we can prioritize the delivery process.

More advantages from fuel tank monitoring

Fuel tank monitoring has been around and has been used mostly with the CHS AFD program. CPC has also begun to use some of the fuel monitors for monitoring our routed fuel customer tanks. We receive daily readings on these monitors and can plan the day more efficiently knowing exactly what is in the tank. We also set tank level lows to send a warning when tanks hit a threshold — giving us time to create the best

We have the “Ultimate” lawn products

If your lawn needs a little extra “pop,” look at the Ultimate Fertilizer system. June is a good time to treat again with the Ultimate Crabgrass Preventor or the Ultimate Weed & Feed. Then in mid-summer, you can give your lawn a boost with Ultimate All Seasons. When fall rolls around, think about Ultimate Winterizer to take care of your beautiful lawn through the winter months and have it ready again next spring.

Check out CPC for fly and tick products

We carry the Think Fly & Tick pellets and liquid for your horses. This product changes the palatability of the blood so that blood-sucking insect (flies, ticks and mosquitoes) stop biting. The same company makes a tick repellent for people. It comes highly recommended for camping and hunting trips in wooded areas, or if you have lots of trees around your property.



Disinfectant now available to protect against COVID-19

With a new awareness for personal disinfectants, we now carry a hospital-level disinfectant product called Danolyte®. It comes in 4-oz. bottles — the perfect size to fit in a purse or to leave in the console of your vehicle to use on your hands, clothing or anything you want to disinfect. It is non-corrosive and kills every pathogen it's been tested against including C. diff and MRSA. Danolyte is safe for people, animals and plants, is environmentally friendly and leaves no harmful residue. It's even safe enough to spray on your fruits and vegetables and your children's toys. Ask us about cost-effective Danolyte. We have been spraying it in our Hutchinson location since the middle of March. (

route possible for delivery. Fuel tank monitoring has also proven beneficial in helping us make sure routed tanks are taken care of and weekend run-outs are reduced or eliminated altogether. CPC Petroleum Department looks forward to taking you into the future. If you ever have any questions or would like to know more, please feel free to give us a call at (620) 422-3207. (





GRAIN TOPICS

LEE BURGESS, GRAIN DEPARTMENT MANAGER

The CPC Grain Department is very busy moving grain at almost all our locations. With little carry in most of the grains, the market is telling us to sell and TMA has been selling a lot of grain over the past couple of months. Wheat is the slowest mover right now, except for the Chase hoop shed, which should be empty by early May to make space for harvest. Some of this wheat was sold to Grain Craft in Wichita at the beginning. Now we are selling the balance to Bartlett in Great Bend, so there is a lot less freight in this move.

With China back in the market for milo, TMA has sold or has plans to sell almost all the milo. It will be shipped by train out of the Canton Terminal. At one point, they had 10 trains sold to ship, which is around 4 million bushels. With the milo price higher than corn right now, Kansas Ethanol and some of the hog houses we supply feed to are switching to corn in order to fulfill their needs.

I also wanted to share that the Yoder wheat bunker is now empty, and there was minimal shrink incurred. Most of the wheat was sold to Grain Craft, with some going to the Sumner County Terminal. We are not sure if TMA plans on using it again this year or not.

With all that said, we should have ample space for the upcoming wheat harvest, and a head start on space for fall harvest as well. With the cold weather in the spring, it remains to be seen what effect the freezes will have on the wheat. Wheat is a pretty tough crop, so we will see.

Software upgrades continue to enhance your grain accounts

The TMA software upgrade is still moving along slowly. Any accounts that have not been used in the last three years were not moved over to the new system. This has added a lot of speed to the system. If you need history information, call the CPC main office for things such as POYs and check listings. The next phase will be to add business units to the grain accounts. Someone from TMA or CPC will be communicating more about this after wheat harvest, as they are planning to make this change effective the first of August. I encourage everyone to take the time and look at your grain accounts to see if any changes need to be made before wheat harvest.

The TMA app is also a great resource for you to manage your grain accounts. The TMA field marketers and insurance staff are here to help you manage your grain marketing needs.

As always, I would like to thank each and every one of our producers for delivering your grains to your Central Prairie Co-op location. Our future depends on your grains coming across our scales. Please feel free to contact me to discuss any of your grain marketing needs: (620) 278-2141 at the Sterling office, or on my cell at (620) 204-1062. I am here to help you in any way I can. ☺





READY WHEN YOU ARE: FACILITIES IN SHAPE FOR WHEAT HARVEST

SHANE ECK, OPERATIONS MANAGER

We are continuing to make improvements throughout CPC facilities, with our focus being on safety, efficiency and grain quality. Our intent is to provide you a favorable experience when you come to our facilities, as well as to maintain the quality of the grain you have entrusted us with.

Recent improvements throughout the CPC territory

- Installed hazard monitoring at Sterling and Partridge
- Installed automatic grain probe at Geneseo
- Repaired elevator roofs at Claflin and Sterling
- Updated lighting in the shops at Lorraine and Chase
- Upgraded leg belt at Nickerson with low profile cups to increase speed.

Harvest is right around the corner and we hope it is shaping up to be favorable for everyone. We have been busy moving grain to provide adequate space at our facilities. We have also been preparing by providing the necessary maintenance at our facilities to minimize the chance of a breakdown. My experience has taught me that we cannot always prevent equipment from failing, but if we follow the proper maintenance program, we can certainly minimize that possibility. Our intent is to do everything we can to get you back to the field quickly and safely.

Help us provide a safe and efficient operation to you during harvest

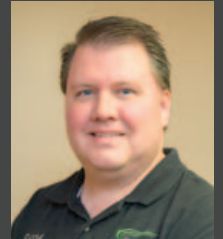
With harvest approaching, please inspect your grain trucks and look for tools, equipment, rodents, treated wheat, or anything that might have been left in there since you last hauled grain. If any of these items inadvertently end up in our grain handling system, it could bring unloading to a halt — affecting both you and your neighbors.

To ensure everyone's safety during harvest, please follow these procedures when dumping at our facilities.

- When stopping on our scales and dump pits, shift your vehicle to neutral and set the parking brake.
- Do not leave the scale until instructed to do so.
- Maintain awareness of everyone around you.
- Do not begin hoisting dump bed vehicles until instructed to do so.
- If your equipment has problems with the mechanisms that allow grain to flow from the vehicle, inform the dump pit operator of the best method to operate it.
- Do not proceed back to the scale until the dump pit operator signals you to do so.
- No smoking within 50 feet of our grain facilities.

We appreciate your assistance in assuring everyone's safety. I hope that all of you have a safe and productive harvest. Thank you for entrusting us with your business. ☺

FROM THE OFFICE, TO HOME, TO ZOOM VIDEO CONFERENCES — WE'RE KEEPING THINGS RUNNING AT CPC



**DAVID CORNELIUS,
CONTROLLER**

To say the past few months have been different would be an understatement. We have had to make a lot of adjustments in the office to accommodate the stay-at-home order made by the governor. We have split the office staff into two groups and alternate days on being in the office. The staff members who stay home have been set up with access back to their office computer, and office phone calls are forwarded to their cell phones.

We have meetings using virtual meeting software called Zoom, and we practice social distancing within the office. Hopefully with these steps, we will prevent the spread of COVID-19 from within the co-op.

CPC just completed the FYE 2020 audit. With the challenges we had during the year, the numbers were down significantly from the previous year. Last year, we had Net Earnings at \$1.2 million. This year, Net Earnings ended up at \$33,000. Unfortunately, because of the low earnings, there will not be any patronage paid out this year.

As always, thank you for your business and stay safe through this current pandemic. ☺





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FEATURED LOCATION: HUTCHINSON

VERTON MILLER, LOCATION MANAGER

Thanks to a strong lawn, garden and feed business, the Hutchinson location hasn't missed a beat this spring. In fact, they've sold as many bags of Ultimate lawn fertilizer as last year. And they've seen an increase in requests for birdseed, as area residents apparently took to yard work and bird watching during the stay-at-home period.

The Hutch location is also the CPC headquarters for bagging sacked feed. "On any given day, we might make anything from deer feed and emu feed, to cow feed, horse feed and pig feed — so we're very diversified," explained Verton. Plus, Hutchinson has the only pellet machine for all of CPC — supplying a consistent, easy-to-digest pellet feed used primarily in dairies and for horse feed.

About the manager: Verton moved from Iowa to the Hutchinson area in 1981 and got a job at the Yoder elevator. This spring, he celebrated 40 years in the feed business — the last 11 years as the location manager at the co-op in Hutchinson. Verton and Cheryl, his wife of 43 years, have three grown sons and four grandchildren. ☺



The Hutchinson staff, Front – Jimmy Pitts, Verton Miller, Kate Rumford; Back – Yadie Jordan, Eli Yoder, Jeff Spear, Brad Bagby



The Hutchinson CPC location is on West 4th Ave., near the K14 bypass.



On any given day, we might make anything from deer feed and emu feed, to cow feed, horse feed and pig feed...

