

C MAGAZINE



Grounded in Grain

Joint venture grows
new opportunity

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the Land

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Grounded in Grain

An innovative joint venture opens doors to new markets.

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Jay Debertin, president and CEO, CHS

Working Together for Growth

Cooperative owners know the value of working together. Collaborating opens doors to new and better markets, helps secure inputs and offers options for managing risk.

Those same benefits emerge when CHS works with industry-leading companies that complement our capabilities, share our values and have our owners' best interests in mind.

As you will read in this issue, the Ardent Mills joint venture between CHS, Cargill and Conagra Brands provides a strong market for our owners' grain and opens doors to new opportunities. At the same time, Ardent Mills benefits from a steady supply of high-quality grain linked directly through the co-op to the farm. Customers appreciate — and pay for — that level of transparency and assurance.

Our investment in Ventura Foods delivers a market for soy oil crushed from our owners' soybeans and benefits from the new soy-based food products and customer demand Ventura Foods creates.

And our investment in CF Nitrogen generates a reliable stream of domestically produced nitrogen fertilizer for our owners to help ensure crop nutrients are available where and when you need them.

We're constantly looking for new partnerships that will help us meet your changing needs. Last year, we paired up with Growmark to fund Cooperative Ventures, a capital fund focused on finding breakthrough technologies for agriculture in the areas of crop production, supply chain and sustainability.

Combining forces like this makes our industry, the cooperative system and CHS stronger. Working together yields results today and paves the way for growth and a better future.

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

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



GROUNDED

Combining strength in wheat milling with ventures in emerging nutrition brings new life to Ardent Mills and new opportunities to growers

Grower Blake Wolf, left, and Rodney Rupp of Ardent Mills inspect developing crops.

IN GRAIN

By Cynthia Clanton

The rail lines in northeastern North Dakota are humming. Every day, in tiny Drayton (population 803) and two hours west in Devils Lake, grain pours from cooperative elevators into six shuttle trains hauling up to 115 cars each — 420,000 bushels per train. About half the cars are filled with hard red spring wheat, much of it destined for Ardent Mills flour-milling facilities across the U.S.

“We run about 34 million bushels of hard red spring wheat out of Drayton and Devils Lake every year,” says Brian Devine, grain department manager for the CHS locations. “That’s the wheat used in high-quality breads and pizza dough.”

Devine explains the high protein content of hard red spring wheat produces flour that gives dough good elasticity for a reliable rise and

dependable results. “You get a good bake.”

The largest wheat miller in North America, Ardent Mills is jointly owned by Conagra Brands, Cargill and CHS. Nearly three dozen Ardent Mills plants process traditional and organic grains from Washington to Massachusetts and Saskatchewan to Puerto Rico.

Partnering with Ardent Mills puts cooperative farmer-owners in a sweet spot, giving them the benefits of huge demand and a finger on the pulse of consumer wishes, says Ryan Caffrey, who heads up global wheat trading and risk management for CHS.

“The relationship with Ardent Mills is key for CHS and our ability to find demand for our owners’ grain,” Caffrey says. “The sheer volume helps us manage risk, but just as important is the information we get on where, when and how

much wheat is needed with which quality characteristics. Then we work with member cooperatives and CHS facilities to meet that demand.”

It’s a win-win for Ardent Mills, too, Caffrey says. “Ardent Mills can leverage the size and scope of the cooperative system and can offer its customers direct access to growers through the system.”

Wheat grower Brad Schuster is one of nearly 400 producers who deliver wheat to CHS at Drayton and Devils Lake. He raises wheat in rotation with sugarbeets, corn and soybeans on about 3,000 acres. Managing through volatile weather — drought in 2021, spring flooding in 2022 — is a challenge, but Schuster says being connected to the cooperative system brings stability.

“Knowing the people you deal with firsthand gives you personal relationships with the

team. They take pride in what they do and they work for me as a producer-owner.”

With the late start due to flooding and the potential for a later harvest, Schuster adds he’s glad to know the updated Drayton CHS facility can dry wet wheat if needed, so he can move on to sugarbeet harvest.

Old Meets New

In an industry nearly as old as time, Ardent Mills is a leader in efficient, quality-driven wheat milling and is forging new ground by partnering with growers to raise specialty crops that meet consumer demand, help protect fragile soils and preserve moisture.

“Wheat flour will always be the core of our business,” says Angie Goldberg, chief growth officer for Ardent Mills. “We absolutely plan to continue investing in that space to produce the highest-quality ➤



Blake Wolf, left, a grower in southeastern Washington, checks chickpea crop progress with Rodney Rupp from Ardent Mills.

“Farmers are looking for new technologies and new crop rotations to ensure they’re doing what’s right for the soil and to provide return on investment for the farm.”

— Shrene White

► products we can. At the same time, our efforts in emerging nutrition help insulate our flour business and make us a one-stop shop for our customers.”

Consumer preferences drive both sides of the business. “Continuing to be a leader in the flour space is paving the way for the future,” she says. “The Sunday night pizza routine and birthday cake will always be part of our everyday lives, but we are seeing growing preference for dietary requests like gluten-free foods. Consumers are looking for greater variety and balance in the foods they choose.”

Ardent Mills products feed approximately 100 million people every day by supplying flour and other grain-based ingredients to many large bread and bakery companies in the country, Goldberg says, plus major consumer packaged goods, retail and foodservice companies

including Bimbo Bakeries, Dawn Foods and Domino’s.

Conserving Rainfall

Holyoke, Colo., wheat grower Joe Krogmeier raises dryland hard white winter wheat for Ardent Mills on the border of Colorado and Nebraska using a four-year rotation of wheat, corn, proso millet and fallow. The characteristics and reduced pigmentation of hard white wheat make it ideal for certain breads and foods like Asian noodles and earn Krogmeier a premium as high as 60 cents per bushel.

“We’re drought-stricken this year and that affected the wheat crop,” says Krogmeier. “Yields were down, but quality and protein level were extremely good, so we should max out the premium.” To meet his contract with Ardent Mills, Krogmeier trucks his wheat to CHS facilities at Amherst or Holyoke, Colo.

“The relationships we have with CHS managers and grain originators are important — they become our partners,” he says.

Those partners help Krogmeier make the most of what Mother Nature sends. “Our challenge is conserving rainfall and using it in our cropping program the best way we can. We still need that fallow period, even though it’s an expensive proposition to leave a piece of ground idle for six months.”

Specialty Space

While wheat is the core of the Ardent Mills business, the company sees vast opportunity in what it calls emerging nutrition, finding new uses for ancient grains like lentils, chickpeas and quinoa and helping growers who want to move into organic production.

“At the beginning, it was very transactional,” says Shrene White,

general manager of emerging nutrition at Ardent Mills. “We were buying organic wheat for a couple of mills and we’d get inquiries from customers about sorghum or millet, for example, and we would do some research. If a customer wanted organic flour, we’d find the wheat, or if we found organic wheat, we’d offer the flour.”

Committing to organic grains in 2016 meant Ardent Mills doubled down on efforts to certify mills for organic production, growing from two mills to more than a dozen. It also added an organic-certified bakery and the Ardent Mills Innovation Center in Denver, Colo., which tests grain and flour samples and partners with customers to find new uses for all types of grain.

Recent additions have added even more capabilities to the Ardent Mills roster, says White. “We purchased an organic elevator in Klamath Falls, Ore., and a gluten-free seed-cleaning facility for quinoa and other grains in Yuba City, Calif. In June 2021, we acquired Hinrichs Trading Company in Washington state, which focuses on grower relationships and supplying the chickpea market, and late in 2021, we completed acquisition of a gluten-free flour mill in Harvey, N.D.” Most recent is a state-of-the-art mill near Tampa, Fla., that produces 1.8 million pounds of flour a day, sourcing wheat from the Midwest and southeastern U.S.

“Farmers are looking for new technologies and new crop rotations to ensure they’re doing what’s right for the soil and to provide return on investment for the farm,” says White. “Growers tell us, ‘I plant wheat or corn or soybeans because I know I can find a market for those crops. If I put something new in my

crop rotation, I want to be sure there’s a market.’ We can help with that transition as they add crop diversity.”

Fertility Focus

Organic grower Ron Rabou sought out White several years ago as he searched for a market for his wheat. The Albin, Wyo., grower was working to bring new life to acres that were routinely pummeled by heat, drought and high winds.

“We’re at 5,300 feet elevation and we get just 14 to 16 inches of precipitation a year, much of it coming as snow,” says Rabou. Sandy soils and dry, windy conditions often lead to wind erosion, regardless of cropping practices. Stripcropping with advice from the USDA Natural Resources Conservation Service (NRCS) helps conserve moisture while allowing some tillage to manage weeds.

“We developed a business model that is based on consumer demand.”

— Ron Rabou

“I was scared of the organic market at the beginning because I didn’t understand how it worked,” he says. “We had to build the operation over time, investing in equipment, land, buildings and storage. If it weren’t for Ardent Mills, this farm wouldn’t be here, because I didn’t know where to sell organic wheat.”

Since then, Rabou has permanently added chickpeas

(garbanzo beans or “garbs”), flax for flaxseed, buckwheat and proso millet to his rotation and has tried mustard, sorghum and grain hemp. “We developed a business model that is based on consumer demand. I’ll find a market for something and work with buyers to come up with a price, then run a cash flow analysis. If I think I can make money with it, I’ll give it a shot.”

Maintaining soil fertility is paramount, Rabou says. “Chickpeas and other legumes naturally help with that. If you get the chickpea seed inoculated properly and it develops the nodes it needs, it fixes nitrogen in the soil.”

Rabou credits Phil Hinrichs of Ardent Mills and formerly an owner of Hinrichs Trading Company with showing him how to successfully grow organic chickpeas, including minimum soil temperature for planting, plant populations and weed control techniques. Rabou Farms is now the largest grower of organic chickpeas in Wyoming and the state’s only or largest organic grower of several other crops.

“We haven’t focused on getting big, but on doing a good job,” Rabou says. “How can we do a better job with the land we have? How can we make it more productive? I’ve tried to mitigate as much risk as possible by diversifying our rotation. Over the last 15 years, we have developed the philosophy of moisture conservation while keeping plant residue on the surface, which helps hold our soil.”

High on Garbs

At the other end of the moisture spectrum for 2022 is Blake Wolf, an Ardent Mills chickpea grower in the Palouse region of southeastern ➤

ARDENT MILLS IN NUMBERS

Since opening in May 2014 as a joint venture between Conagra Brands, Cargill and CHS:



85 BILLION
bags of flour produced



61 MILLION
loaves of bread produced at the Tualatin, Ore., bakery



\$690 MILLION
invested in facilities



\$3.14 MILLION
in charitable giving

Applying Sustainability Insights

Sustainability is a key element of the Ardent Mills corporate responsibility program. That includes supporting farmers who employ practices to strengthen the soil ecosystem. The company met its 2021 goal of enrolling 250,000 wheat acres in its regenerative ag program and plans to enroll 750,000 acres by 2025.

"We're always looking for ways to increase efficiency at our own facilities," says Phoenix Dugger, Ardent Mills corporate social responsibility manager, "and now we're working on the growing side to adapt methods like reduced tillage and cover cropping that we can couple with new ideas to find the best way to improve soil health.

"Many of these ideas have been around for decades, but what's being added is auditing and certification around things like quantifying greenhouse gas emissions. We can help simplify those new elements for growers. It's important that we take the data growers share and provide actionable, meaningful results for them."

Compiling data from all farms in the program provides insights on practices that other farms can adopt, Dugger adds. "At grower workshops, we talk about impacts of weather and wheat variety performance, plus results of pilot projects like a new seed application or cover crop and how they affected yield or greenhouse gas emissions. Then growers can decide if they want to try it themselves."

➤ Washington. "We got a lot of early spring rains, which set us up nicely for this year," says Wolf. His dryland operation also includes winter and spring wheat, barley and glyphosate-tolerant canola.

"The canola has become a tool to control weeds. We have to rotate crops to help with disease control, but Italian ryegrass and other herbicide-resistant weeds mean we need to use every tool at our disposal."

Most available herbicides for chickpeas must be used preemergence, Wolf says. "It can be touch and go, because we need water to push the herbicide into the first quarter- to half-inch of the soil profile. The garbanzo bean seed is an inch to inch and a half below that, so if we get a downpour and the chemical moves too deep, it can wreak havoc on the seed and damage the emerging garb.

"Garbs have given us the opportunity to diversify our rotation, control weeds, change things up and, we hope, make us more profitable overall."

Still, the past few years have been a roller coaster ride for garb prices, Wolf says. "When the COVID-19 pandemic shut down restaurants, consumption at salad bars went by the wayside. Our price dropped to 18 or 20 cents a pound. Now that demand is back up, we're back to being at breakeven or a little above that."

Rewarding Connections

Meeting and exceeding consumer expectations is the answer to staying relevant and maintaining a market for U.S. wheat and emerging crops, says White of Ardent Mills.

"Consumers want to know they're making a difference in these uncertain times. They are

asking, 'What can I control?' One answer is what they feed their children and their own diet.

"Our research shows consumers are willing to pay a premium for products they can trace back through the supply chain. That transparency and connection to the grower and the community is becoming more important to consumers.

"I have a lot of passion for helping farmers tell their story about how they are stewards of the land and making continuous improvements on the farm," she adds. "At Ardent Mills, we want to build connections between our customers and the farmers who grow their food." ■

LEARN MORE: Get more information about Ardent Mills at [ardentmills.com](https://www.ardentmills.com).



Ron Rabou says the organic wheat he raises for Ardent Mills averages 30 to 35 bushels per acre — half the yield of conventional wheat but it uses fewer inputs and garners about twice the market price.



GROWING INNOVATION



Thousands of wheat and flour samples are tested each year at the Ardent Mills Innovation Center and standard recipes are used to evaluate flour performance in baked goods.

Combining grain and flour testing capabilities with an experimental milling room and professional culinary kitchen makes the Ardent Mills Innovation Center (AMIC) in Denver, Colo., a unique and vital asset to the company and its customers.

Field samples of soon-to-be-harvested wheat from across the country are tested at the AMIC to gauge qualities of the incoming crop and to begin planning which wheat goes to each mill

to produce flour that meets customer needs. Those customers — food processors, consumer packaged goods companies and restaurants — expect flour to perform as expected so baking lines run reliably and final products are consistent, attractive and delicious.

Each mill has an on-site testing lab, plus samples are sent to the AMIC for analysis and certification in its continuous monitoring program. About 50,000 samples per year are tested for moisture, protein, ash, falling number (an indication of sprouting), water absorption capacity, stability and more.

Environmental chambers allow AMIC specialists to use controlled warm and cold environments to test for things like microbial growth and dough response to freezing before baking.

In the AMIC bake lab, standard recipes for white and whole wheat bread, rolls, cakes, cookies, biscuits and pizza dough are used to test flour performance by

measuring final product height and volume, browning and other visual characteristics.

In the center's R&D space and kitchen, food scientists, chefs and nutritionists work with customers to find new uses for emerging grains, like toasted quinoa muffins and the chocolate chickpea cookies Ardent Mills culinary experts introduced at a recent food industry show.





From the Ground Up

By Jennifer Chick

Exploring regenerative ag and educating consumers fuel this next-generation cowboy



Kyler Beard prefers using his horse and border collies to move cattle from one pasture to the next every two to three days, focusing grazing efforts on improving soil health.

Kyler Beard is part of a new generation of cattle ranchers who are diving into sustainable practices, unique feed sources and direct marketing to educate beef consumers.

Beard describes himself as a first-generation cowboy and “the cow grass guy.” His grandfather was a rodeo stockman who raised bucking horses for the rodeo circuit. In his 20s, Beard was working toward a career like his grandfather’s when he realized his true calling was raising cattle for consumers. He coupled that with his other passions — raising horses and training border collies — and began leasing grass and managing yearlings on grass. Now he also runs cow-calf pairs and replacement heifers. He says he’s most at home in a pasture or on horseback, moving his cattle from one pasture to the next with his dogs.

“The stockman aspect is what I feel I have a knack for,” Beard says. “There’s nothing better than having a nice day when the wind’s not blowing so your dogs can hear you, riding a nice horse and moving cattle around in belly-deep grass.”

In Tune with the Land

Beard lives near Ellensburg, Wash., which he calls a mecca for regenerative agriculture, a conservation and rehabilitation approach to food and farming systems. Regenerative ag focuses on topsoil regeneration, increasing biodiversity, enhancing

ecosystems and supporting biosequestration.

After taking a class on pasture management and rotation, which incorporated many of those practices, Beard came back to Ellensburg fired up to practice what he’d learned.

Beard and his wife, Judy, have been raising cattle as Beard Ranch for more than a decade. Over the past few years, their operation has evolved into PNW Beef, a sustainable cattle operation that markets itself as modern technology with a hint of the Old West. Chase and Sarah Hunter are co-owners of PNW Beef with the Beards.

PNW Beef direct-markets boxes of Black Angus beef to consumers across the Pacific Northwest. Chase handles the feeding operation, while Sarah manages social media marketing and box packing. Kyler manages the grazing operations, with the help of Judy and their 10-year-old daughter, Josie. This summer, PNW Beef is running about 500 cow-calf pairs and 250 replacement heifers.

The operation’s summer pastures are northwest of Ellensburg, near Cle Elum, Wash. Beard moves the cattle to new pasture every two to three days, often near or through areas of vacation homes and housing developments. He attracts plenty of attention when he moves his cattle by horseback with the help of his border collies, who keep the cattle heading in the right direction. ➤

> Nature's Topsoil Managers

Beard says he focuses grazing efforts on improving soil health, leaving the pastures better than how he found them.

"The cattle are managing the topsoil," he says. "What cattle do really well is break up the topsoil so native grasses can come up. By walking across it, they break up the crust so the rain cycle can be effective."

Where others see disturbed ground, he sees a hoofprint that cradles precious water.

"Breaking that crust gives the successional grasses a chance to grow," he says. "That's probably the neatest thing to see — the diversity in plant types after cows go through."

He says most landowners around Cle Elum don't understand much about soil health, but being located in the middle of the Cascade Mountains means many are well schooled on wildfire risks. They can see the reduction in fuel loads after cattle graze an area, making the area more resistant to wildfire.

"A lot of the reason why I've gotten more grass is because people drive by and see the changes," he says. "Start walking around and you can feel the difference in the soil being spongy underneath your feet compared to the stuff right next to it that hasn't had cattle on it. Cows on the landscape are now becoming known as a good thing."

Beard does a fair share of education on social media. He posts frequently on TikTok and Instagram under the handle @beef_maker428 (and often with the hashtag #cowboyswillsavetheplanet), sharing tips on pasture management, low-stress stock handling and cattle dog training.

Unique Formulation

While PNW Beef cattle are on pasture, Beard supplements natural grasses with Payback® mineral. He strategically places mineral tubs to encourage cows to trample weeds, giving native grasses space to grow.

During the winter or when cattle are being finished in



Kyler Beard and his daughter, Josie, check cattle out on grass near Cle Elum, Wash.

the feedlot, PNW Beef feeds brewers grains, bakery waste and hay mixed with a variety of Payback feeds, a CHS brand.

"One thing I like about Payback feeds is the different kinds of feeds you can get for the different stages of cattle production," Beard says. "I keep Payback mineral in front of my cow-calf pairs at all times. I've also used Payback Head Start starter feed, which is phenomenal to help stressed calves get going."

Nature's Upcyclers

As Beard was looking for less costly, more sustainable feed sources, he learned about bakery waste and brewers grains, residue left after processing germinated and dried cereal grains (malt) for beer and other malt products. He forged a relationship with nearby Iron Horse Brewery, which had an abundance of brewers grains.

Brewers grains resemble oatmeal mash. PNW Beef uses a mixer wagon to combine it with hay, Payback mineral and bakery waste. Feeding brewers grains to cattle keeps the byproduct out of landfills and upcycles it into a consumer product.

"From an animal nutrition aspect, using byproducts such as spent brewers grains and bakery waste creates a unique diet that requires a bit more formulation," says Jena Ozenna, the CHS animal nutrition consultant who works with Beard to find the right Payback formulations to keep his cattle healthy and gaining.

PNW Beef is forging a path forward with a multi-pronged approach, using creative problem-solving to grow the operation, while educating consumers who are hungry to learn more about the origins of their food. ■

LEARN MORE: Visit the PNW Beef website at pnwbeef.net.

PNW Beef cattle are finished on a combination of brewers grains, bakery waste and hay supplemented with Payback® feeds from CHS.



Direct to Consumers

Beef producers are looking for unique ways to get their beef in front of consumers.

While many of its finished cattle go to traditional beef processors, PNW Beef processes 60 to 70 head of pasture-raised, spent-grain beef every year to sell directly to consumers online through its website (pnwbeef.net) and social media. The company offers weekly specials and monthly subscriptions, called PNW Beef Eater Memberships, with deliveries ranging from monthly to every four months. PNW Beef also sells beef at the Roslyn, Wash., Farmers Market each summer.

“I love PNW Beef,” says Jena Ozenna, the CHS animal nutrition consultant who works with PNW Beef. “There’s no better product out there on the market. The flavor profile is based on the ingredients they use, and it’s such a tender product.”

Beef for Schools

Some North Dakota ranchers are also coming up with a unique way to raise awareness about local beef. The North Dakota Beef to School program brings locally raised beef, processed in local meat processing plants, to school lunch trays.

“We are getting local beef out in front of kids, showing them where it comes from and who is raising it,” says Payback® feeds customer Corey Hart, Chaseley, N.D.

Hart is a member of the Independent Beef Association of North Dakota (I-BAND), which developed the program in 2021 as a way to encourage local school districts to buy North Dakota beef. He is also

a member of Bowdon Meat Processing, a local meat processing co-op in Bowdon, N.D., which sells beef to North Dakota school districts through the program.

In the past, most North Dakota schools were buying their beef through commodity beef processors. School districts often didn’t realize they could use their lunch program dollars to buy local beef from local processors for the same or slightly higher prices. “We raised awareness that they aren’t bound to buy a commodity burger,” Hart says.

Sold on Taste

Reactions from school foodservice teams and students have been positive, and the

I-BAND team hopes to see even more North Dakota beef on lunch trays this school year.

“We are seeing more schools transitioning to buy local beef,” Hart says. “They are impressed with how good the quality and taste is.”

He says kids in rural school districts are excited to see beef from their communities on their plates, while kids in urban districts recognize that it tastes better and fresher.

Buying North Dakota beef is keeping dollars in the community and supporting stronger rural communities across the state, something Hart hopes to see other states replicate.





HARVEST REST

A brief respite is necessary on another hard-working day during spring wheat harvest in one of the most productive areas of the Pacific Northwest. Tons of grain funnel through this corridor as it makes its way off farms, through cooperative elevators, onto the Snake River and west to ocean-based terminals in Oregon and Washington before heading to customers abroad.

— Adam Hester



By Amy Sitze

FAMILY MATTERS

A young farmer relies on family, friends and her local cooperative as she begins to take the reins on the family farm

As a child, Taylor Goering often heard her dad say, “Farming is my therapy.” It didn’t make sense to her at the time, but as a young adult helping to manage her family’s diversified farming and ranching operation in central Kansas, she now laughs when she catches those same words coming out of her mouth.

“You hear people say that if you love your job, you don’t work a day in your life, and that’s how I feel about farming,” she says. “No matter how tough it gets, I absolutely love what I do.”

Passion for Farming

Taylor is among the nation’s 1.2 million female ag producers. That number accounts for 36% of the country’s 3.4 million producers, according to the USDA National Agricultural Statistics Service 2017 agricultural census (the most recent available).

Her father, Greg Goering, says he originally thought his son, Trenton, would someday run the farm. But Trenton followed a different path, joining the military. Taylor, on the other hand, showed a strong interest in farming from a young age, and has recently taken on responsibility for business decisions about crop rotation, finances, technology, labor, equipment and more.

“Taylor has a passion for it,” Greg says. “She thinks, eats, sleeps and drinks farming. She’s always thinking about the future: What’s the best thing to do tomorrow and how are we going to do it?”

Taylor and Greg both say they feel fortunate to have help making those decisions from Brandon Schrag, director of sales for MKC, a cooperative with more than 11,000 members across central and southwest Kansas. Schrag, who has known

1.2
MILLION
FEMALE
ag producers = **36%**
of the country’s
3.4 MILLION
producers

Source: USDA National Agricultural Statistics Service 2017 agricultural census.

the Goering family for more than 20 years and remembers Taylor when she was “knee-high,” says he’s enjoyed watching her grow into a leadership role on the family farm and appreciates her willingness to collaborate in the face of challenges.

“She might be looking at a field and wondering why the corn is yellowing,” he says. “We’ll walk through it together and try to figure out the problem and come up with solutions.” >

“She’s always thinking about the future: What’s the best thing to do tomorrow and how are we going to do it?”

—Greg Goering

Taylor Goering climbs into the driver’s seat after harvesting a wheat field.





Taylor Goering, her fiancé Cole Ledford and Greg and Tammy Goering work together on the family farm to continue a proud history of more than 100 years on the land.

> Navigating Change

No matter how driven, intelligent and tech-savvy the Goerings and other farmers are, Schrag says they're too busy with daily work and business challenges to keep up with all the rapid changes in products and technology. "It's my job to stay up-to-date with new technology and new practices and bring them to their farm," says Schrag. "It's also my job to challenge the status quo and sometimes encourage them to change practices to help their profitability and reach their yield goals."

For Taylor, change is what farming is all about — even in an operation whose history stretches back to the early 1900s. (A favorite family story describes her great-grandfather hearing the siren announcing the end of World War I on Nov. 11, 1918, as he was finishing the barn roof.)

Taylor Goering and Brandon Schrag inspect wheat just before harvest.

"Technology is changing and evolving every day in agriculture," she says. "It can be hard to understand and utilize, but in the end, it makes things easier for all of us — and we can see the return on investment." ■

SEE MORE: View more photos at chsinc.com/c.



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Mark Nelson, owner of Nelson Diesel & Dozing in Ettrick, Wis., takes equipment greasing seriously.



By Megan Gosch

HEAVY-DUTY HERO

“Farming’s a tough business and you can’t afford to miss out on a chance to get in the field.”

— Mark Nelson

From weather setbacks to crop yield analyses and tight harvest turnarounds, farmers have plenty of priorities competing for their attention. There’s no off season, no room for downtime and no space for delays — especially when it comes to equipment.

“Farming’s a tough business and you can’t afford to miss out on a chance to get in the field because of a breakdown. That lost time will cost you,” says Wisconsin producer Mark Nelson.

Always on the Move

That’s a tenet he knows all too well as both a farmer and owner-operator of Nelson Diesel & Dozing, a construction

operation based in Ettrick, Wis. With a team of 10 working to complete a full slate of projects year-round, Nelson knows a breakdown can leave key equipment out of commission and cause a domino effect of costly downtime and logistical bottlenecks.

“It’s the same in the corn field as it is in the quarry. When your operation hinges on your machines, you have to keep that equipment running in peak condition or you’re shooting yourself in the foot,” he says.

To keep his equipment — and his operation — running smoothly, Nelson uses high-quality products to ensure his full

fleet of crushers, backhoes and excavators is ready for action.

Proof in Performance

When Nelson launched his construction business nearly 20 years ago, he turned to Allied Cooperative for his operation’s energy needs. He started using Cenex® Superlube TMS® engine oil for his heavy-duty construction equipment and Qwiklift® HTB® hydraulic fluid to keep his tractor’s hydraulic system running smoothly.

A few years ago, when he wanted to find a high-performing grease, Nelson spent a lot of time on product comparisons. “I’m not an easy sell. I like to do my >

➤ homework, research my options and give products a road test before I commit," he says.

While comparing his options, Nelson hosted demonstrations in his workshop to show other producers how each grease held up. He also tapped Russell Bortz, Allied Cooperative certified energy specialist, to better understand his grease options.

"I'm a see-smell-taste-touch kind of person," says Bortz. "I'd rather let a product speak for itself, so I sent Mark home with plenty of samples to try."

HD Moly Xtreme proved to be the product Nelson had been searching for.

"I've used a lot of greases and just couldn't find a product with enough moly (molybdenum disulfide) to withstand the



heavy-duty applications I see with my construction equipment," says Nelson, whose construction team works year-round, through all kinds of weather. "We're doing everything from concrete and earthwork to digging culverts, with a specialty in excavation. You see pretty quickly if the product is working and holding

up like it should under pressure."

For Nelson, the proof that a grease is performing under pressure is in what's missing: construction noise. "You know your grease is doing its job when you're not hearing clanging and grinding and gnawing of metal on metal," he says. "That's what keeps HD Moly Xtreme as my go-to grease."

Used Oil Trouble Signs

A LubeScan® report provides an analysis of components found in used oil and a customized diagnosis of actions needed to keep equipment in peak condition.

Wear metals will be present in all used oil samples, but high numbers may indicate excessive wear.

Contaminants in oil are bad news. The presence of water, fuel or coolant can indicate serious issues.

Additives in oil provide protection in the harsh conditions found in modern engines.

"You know your grease is doing its job when you're not hearing clanging and grinding and gnawing of metal on metal."

— Mark Nelson



With projects underway year-round, Nelson relies on high-quality products to keep his fleet of crushers, backhoes and excavators ready for action.

How to Know Your Grease is Performing

A quick assessment of the senses can help determine if your grease can hold up through the toughest conditions.

SIGHT: An adequately lubricated component should show no signs of excess wear. Visible signs of corrosion can be a signal of subpar performance.

SOUND: A quiet job site is a high-performing job site. If you're hearing abnormal noises such as grinding or squeaking, your equipment is not being greased properly.

TOUCH: A well-greased machine should stay cool. If a component such as a wheel bearing is too hot to touch, it could be an indicator of a lack of lubrication and a need for more grease.



Investing for the Long Run

Through the years, Nelson says he's focused on product performance rather than price.

"I like to think about long-term costs. When my equipment is working and I haven't been wrapped up with repairs or a project isn't put on pause while I get my fleet back up and running, then the product has paid for itself," he says.

Nelson, who also uses Cenex premium diesel fuel to power his on-farm equipment and his fleet, says he hasn't experienced any engine failures since switching to Superlube TMS engine oil 20 years ago. And since he's switched to HD Moly Xtreme, he's seen a decrease in the daily maintenance his fleet requires.

"We've gone from having to stop a job to grease equipment

four or five times per day down to two times," says Nelson. "That's something you can spot in real time and see the efficiency in action."

"Mark is focused on keeping his equipment in top condition," says Bortz. "It's not about price; it's about demanding performance from the best product that can match his operation's needs. He knows that will pay off in the long run."

Proactive Solutions

While Nelson appreciates the convenience of purchasing fuel and lubricant products from a central, trusted source, what he says he values most is the customer service he can count on from Bortz.

"Mark knows I'm watching out for his operation and keeping an eye on how we can set him

up for success," says Bortz. "He isn't afraid to challenge what he's seeing in the market and he knows I'm invested in getting him the tools he needs."

The ability to tap a product expert as questions arise gives Nelson peace of mind. "I know I can reach out any time a need or question comes up and he'll do the same. Russ comes to me with proactive solutions, which gives me confidence that I have a partner in my corner who's going to connect me with the products that can move my business forward." ■

LEARN MORE: Find the lubricant that best suits your equipment with the Cenex Lubricants Recommendation Tool and more at cenex.com.

Pinpoint Your Product Needs

Selecting the right lubricants and greases for your fleet is no small feat, but finding the ideal match can keep your equipment moving for the long haul. These expert tools can help:

Reliable Recommendations

Whether you need engine oil for an excavator or transmission fluid for your truck, the Cenex® Lubricants Equipment Lookup Tool (chs-cenex.ewp.earlweb.net) can help match the best products to thousands of vehicles and pieces of equipment with just a few clicks.

Expert Analysis

Like a soil test for your engine, the LubeScan® used-oil analysis program, which you can purchase from your local Cenex distributor, goes under the microscope to catch issues under the hood.

With a LubeScan kit, it's easy to take a used oil sample, then drop it into the mail to the testing lab. Technical experts will study the results and provide an analysis of components found in used oil and a customized diagnosis of actions needed to keep equipment in peak condition, plus alert you to equipment issues before they become catastrophic.

CommunityConnectors

By Megan Gosch

For Billy and Katie Martin, rodeo isn't just a beloved Western tradition — it's a core community builder in a region where the closest neighbor lives 40 miles down the road and organized team sports are sparse.

As codirectors of the H&M Youth Rodeo Series in Howes, S.D., the Martins — along with Eric and Chasity Jones and countless volunteers — have built a family-focused program where local youth can train, gain life lessons about responsibility and

perseverance, and support one another along the way.

With the help of volunteers, the program has grown from six to more than 100 participants of all ages and skill levels. Budding ropers and riders trek to the H&M Youth Rodeo



For H&M codirectors Katie and Billy Martin, left, and their sons Tyler, back right, Traylin, right, and Trypp, center, rodeo is a family affair.



Arena to learn the technical skills of the sport, gather with friends and neighbors, and test their mettle through summer competitions. Some have gone on to compete at the collegiate and professional levels.

“Before H&M, there was nowhere around here for the kids to learn and compete outside of 4-H, and even then they had to be at least 8 years old to join,” says Katie. “Our youngest rider is 13 months old and some of our kids drive hundreds of miles to be here. Sure, they can practice at home, but we wanted to create a space where these kids could challenge themselves and each other and build camaraderie.

That’s what H&M is all about.”

A tight-knit community keeps the program in motion, Billy says. “Water trucks, cattle, fencing, the land we use — it’s all donated,” he says. “And when people are not volunteering, they’re here to cheer on all the kids, not just their own. Rodeo brings us together as a family.”

CBH Cooperative in Sturgis, S.D., has been a dedicated sponsor and donor since the program’s humble beginnings. CBH recently partnered with the Cenex® brand to award H&M a \$25,000 Hometown Pride grant to support the series.

The funds will help renovate the arena’s return alley, back pens, fencing, terrain and more. Upgrades will also be made to the sound system, bleachers and community pavilion where the community gathers for potlucks throughout the season. ➤

“When people are not volunteering, they’re here to cheer on all the kids, not just their own. Rodeo brings us together as a family.”

— *Billy Martin*

From roping and riding to goat tying, H&M participants learn the ins and outs of rodeo.



► “Everything donated goes back into the kids or the facility, so to be able to fix up this facility means more than words can say,” says Billy. “It’s a burden lifted to give our program a brighter future.”

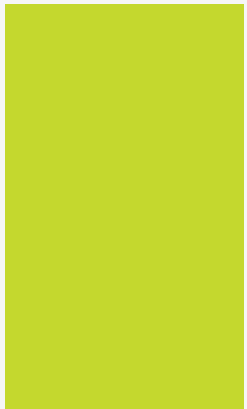
“These improvements will give kids a chance to connect and compete for decades to come. You just can’t put a price on that,” says Katie.” ■

LEARN MORE: See how **Cenex® Hometown Pride** grants make a local impact at cenex.com/local-giving.



The H&M series may be a competition, but as a tight-knit community, attendees and competitors cheer for all.

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CHS REPORTS THIRD QUARTER EARNINGS

CHS Inc. has released results for its third quarter, which ended May 31, 2022. The company reported third quarter net income of \$576.6 million and revenues of \$13.1 billion, compared to third quarter fiscal year 2021 net income of \$273.6 million and revenues of \$10.9 billion.

For the first nine months of fiscal year 2022, the company reported net income of \$1.2 billion and revenues of \$34.4 billion, compared to net income of \$305.0 million and revenues of \$28.0 billion recorded during the same period of fiscal year 2021.

“Global grains and oilseed market demand remained strong throughout the third quarter,” says Jay Debertin, president and CEO of CHS Inc. “Decreased global supply due to geopolitical factors, supply chain disruptions and market volatility also contributed to increased earnings. I am proud of our team’s continued dedication to delivering superior value for our farmer-owners and

customers in this unprecedented global market.

“The ongoing war in Ukraine has resulted in significant uncertainty and contributed to ongoing volatility across global energy markets. We are leveraging our U.S. refineries

to reliably meet the energy needs of CHS customers. We continue to invest on behalf of our owners in infrastructure, supply chain capabilities and innovative technology that is driving operational improvements and efficiency

gains throughout our expansive network. And while logistical challenges and inflationary pressures linger, CHS remains well positioned to continue to maximize value for our member cooperative and farmer-owners.”

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

	Three Months Ended May 31		Nine Months Ended May 31	
	2022	2021	2022	2021
Energy	\$163,241	\$4,959	\$243,262	\$(116,908)
Ag	273,688	140,131	615,294	237,185
Nitrogen Production	178,212	46,635	429,052	62,270
Corporate and Other	23,596	64,478	48,619	112,006
Income before income taxes	638,737	256,203	1,336,227	294,553
Income tax expense (benefit)	62,492	(17,469)	89,143	(10,130)
Net income	576,245	273,672	1,247,084	304,683
Net (loss) attributable to noncontrolling interests	(329)	81	(451)	(350)
Net income attributable to CHS Inc.	\$576,574	\$273,591	\$1,247,535	\$305,033

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

UPCOMING EVENTS

CHS New Leaders Forum, Nov. 29-30, 2022, Minneapolis, Minn.

CHS Annual Meeting, Dec. 1-2, 2022, Minneapolis, Minn.

CHS Cooperative Leadership Conference, Jan. 8-10, 2023, San Diego, Calif.

Learn more at chsinc.com/owner-events.



CHS PLANS NEW GRAIN FACILITY IN MINNESOTA

CHS is beginning construction on a new state-of-the-art grain facility with 1.25 million bushels of additional storage capacity in Erskine, Minn.

The new shuttle elevator will bring total capacity at the location to 4.55 million bushels of storage and will complement existing CHS grain, agronomy and energy assets and offerings for area producers. It is slated to be operational in the fall of 2023.

“This important project advances our

strategy to expand our customer-focused retail solutions platform, creating value and driving growth for farmers — as customers and owners,” says Rick Dusek, executive vice president, CHS ag retail operations. “This facility is a key location in the flow of grain from the upper Midwest to export terminals in the Pacific Northwest.”

The new terminal is the latest in a series of investments throughout Minnesota and North Dakota by CHS.



AMENDMENTS PROPOSED TO CHS BYLAWS

Proposed changes to the CHS Bylaws would help ensure CHS owners can participate in the governance process.

The proposed amendments would provide the CHS Board with the option — but not requirement — to schedule regional caucuses and CHS Director elections at times and places that are convenient for owners. “This added flexibility will help ensure participation in CHS governance is open to as many owners as possible,” says CHS Board Chair Dan Schurr.

The CHS Board recommends a vote on the proposed amendments at the 2022 CHS Annual Meeting.

Owners are encouraged to review the proposed amendments at chsinc.com/amendments, offer comments at feedback@chsinc.com and contact any CHS Board member with questions.

\$75,000 IN GRANTS AVAILABLE FOR TEACHERS

The CHS Foundation is celebrating 75 years of giving this year. For more than seven decades, the CHS Foundation has contributed nearly \$84 million to develop the next generation of ag leaders for life.

To celebrate the anniversary, the CHS Foundation is awarding \$75,000 in grants for teachers to implement projects that will engage students in experiential agricultural education. Projects must clearly tie to agriculture, such as implementing a new ag class or purchasing ag equipment for hands-on learning.

The deadline for grant applications is Oct. 1, 2022. Learn more and apply for a grant at chsfoundation.org/teacher-grants.

Teachers who engage students in experiential agricultural education can apply for grants from the CHS Foundation.





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Future of Fuels

Efforts to reduce carbon in transportation may seem focused on electric vehicles. In reality, liquid fuels will also play an important role, especially in agriculture and rural America.

“It will take an evolution, not a revolution, for our country to reduce its carbon footprint,” says Darin Hunhoff, who leads CHS energy businesses. “This means relying on a mix of versatile energy solutions like electric, wind and solar, but also renewable fuels and fossil fuels.

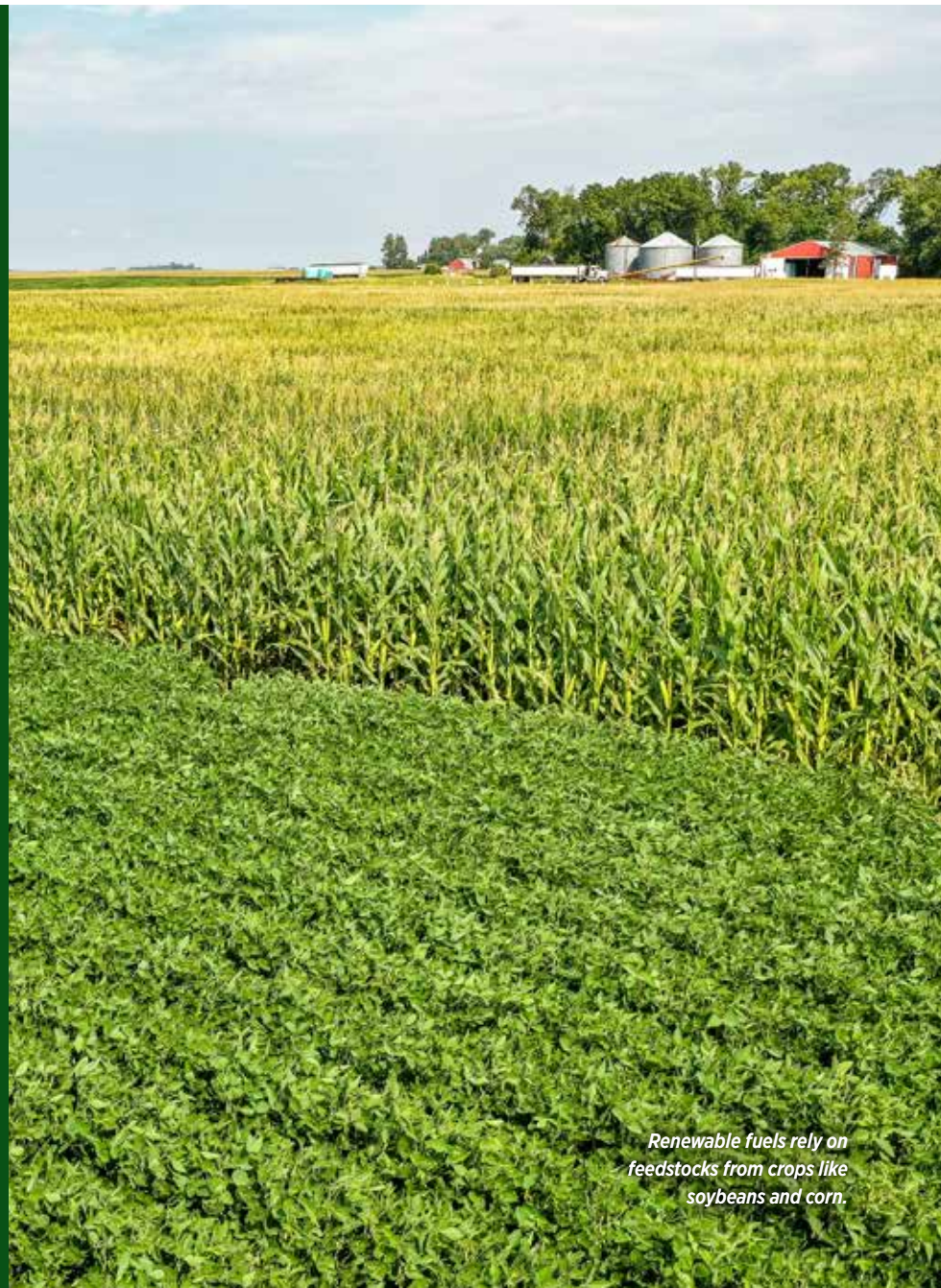
“As a refiner of fossil fuels, producer of soybean oil and ethanol, and a global grain marketer, CHS has a unique perspective on how vital energy and agriculture will be in the future.”

CHS has formed an employee-led group across energy, grain, processing and government affairs to educate policymakers about the importance of liquid fuels. “We knew we had to come to this issue as one CHS to make sure our policymakers understand how important liquid fuel is for rural America,” says Hunhoff.

Informed by both ag and energy perspectives, the CHS government affairs team advocates for owners on issues including the Low Carbon Fuel Standard, refining regulations and ethanol policy. The group also meets regularly to discuss emerging trends, like renewable diesel production and E15 regulation.

“The unique voice we bring to the table can help cut through the noise with a clear vision on the importance of liquid fuels,” says Hunhoff. “We know our owners and customers will rely on liquid fuels for the foreseeable future and we will make sure the needs of our owners are heard.”

— Sarah Haugen



*Renewable fuels rely on
feedstocks from crops like
soybeans and corn.*