

# GROUND UP

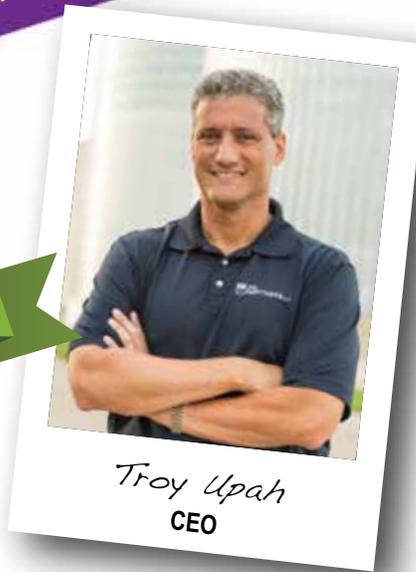
FALL 2015

An Ag Partners publication in gratitude of our customers & their families.

*Bountiful*

**.CROP.**

**PREDICTED**



Troy Upah  
CEO

### Harvest is fast approaching.

Many prognosticators are

predicting an immense corn and bean crop this year. Pro Farmer confirmed what the USDA believes – we will have a very good crop in our part of Iowa. Ag Partners recently had our in-house expert complete an Ag Partners' crop tour through 12 counties of Northwest Iowa. His tally shows that we will not have a record crop but will get close on corn. Pod counts on beans would suggest we will also have a strong bean crop. While the west side could be tempered from last year's record year, we believe the strong yields in the east side (Highway 4) could put us in record territory for beans for the Northwest Iowa crop district.

That's my crop forecast. It will make it an exciting fall if these predictions come true. Ag Partners has made significant investments in grain storage and dryers over the past seven years to meet the needs of area farmers and growing yield trends. We have added seven-million bushels of grain storage during this time while also increasing our unload speed at a number of facilities. The goal is to keep your combines running and not in line at the local elevator. Our most recent bin addition will add another 720,000 bushels of storage and is close to completion at our Ellsworth facility which is jointly owned

with local turkey growers. Several improvements were also made at the Alton facility to improve unload times.

Construction of the new pellet tower in Sheldon continues to progress at a good pace. While the new facility initially includes one pelleting line capable of 300,000 tons/year, it will have room for a second, similar pellet line should volume dictate. The recent announcement of a new packing plant in Sioux City will further increase the demand for swine production and create new feed demand. Pelleted feed continues to show very positive returns for livestock producers and increased biosecurity in feed due to the heating process.

I hope you and your families have a safe and bountiful harvest. Thanks for continuing to choose Ag Partners as one of your key business partners.

Read about  
Alceco's unification  
study with Farmers  
Cooperative Society  
at [www.alceco.com](http://www.alceco.com)



# Safely Feeding A Growing World



Director of Precision Ag Services

It should be good news when Iowa agriculture is featured on many national papers' front pages regarding how we produce the safest foods in the history of the world. Facts would include how the average farmer is now feeding 155 people at the lowest costs in the world, and increasing yields and quality like never before while using fewer inputs more efficiently.

Unfortunately, agriculture is now receiving a black eye in the media due to the lawsuit brought by the Des Moines Waterworks against the Iowa counties of Buena Vista, Calhoun, and Sac. The whole nation is looking right here in our backyard to see what actions we'll take in light of the lawsuit.

Ag Partners and other suppliers through the Agriculture Clean Water Alliance have been monitoring the Des Moines and Raccoon Rivers nitrate levels since 1999 to understand the nitrate levels coming from those watersheds. We participate in various state, regional, and local programs through the ACWA, Agribusiness Association of Iowa, Iowa Clean Water Alliance, Certified Crop Advisors, North Raccoon Water Quality Initiative of Buena Vista and Pocahontas counties, and Iowa State University. The ultimate goal is to reduce the amount of nutrients moving into the water from agriculture practices.

Introduced three years ago, the Iowa Nutrient Reduction Strategy and Practices Program is an effort to identify and show what reductions could be made using various nutrient and conservation practices. Many of the largest reductions come from conservation practices, but also are the most costly and longer-term options. The easiest options are built around the 4R Program of Right(s) - Source, Rate, Time and Place. Ag Partners precision tools of intensive repeatable soil sampling, variable rate application, and data analysis satisfies many benefits of the 4R Program. All of us in agriculture need to make an extra effort to ensure we are doing the right things. Our suburban friends, relatives and landlords need to know all the facts and not just a one-sided view of selected facts.

The ACWA and its members encourage scientifically based actions to positively impact environmental performance and water quality. The ACWA supports water monitoring at multiple scales, including edge-of-field tile monitoring and tributary levels. Resulting data is useful with targeting new practices and initiatives. This alliance, along with other stakeholder groups, continues to invest in solutions. Simultaneously, Iowa farmers and landowners continue to implement in-field and edge-of-field practices proven to have a quantifiable impact on water quality.

**Ag Partners consistently offers you information on how best to use nutrients in a sustainable and environmentally friendly way and still produce enough to feed a growing world.**

# Rationalizing Agronomy Investments

Farm economics continue to change, and thus drive continued change throughout the agricultural sector. Industry giants such as Potash Corp, CHS, Land-O-Lakes, Monsanto, Syngenta, CF and Winfield consistently adjust their businesses to ensure they can service the needs of their customers today and well into the future.

alike; therefore we realize we have to provide individual solutions based on the economics of each farm. That is why we take the time necessary to get to know each customer and your farm intimately. This knowledge is critical as Mother Nature, chemistry management, and crop nutrient management become more and more of a focus in our marketplace and beyond.



*Brent Low*  
VP Agronomy  
Corporate Marketing

Ag Partners was recently awarded the 2015 Environmental Respect Award for the State of Iowa.

Ag Partners is honored to accept this award, recognizing our customers who supported our agronomy business over the years, especially our industry-leading precision ag services, which further supports and encourages sustainable farming practices.

Thank you for your business, and have a safe and successful harvest season.

WINNER  
OF THE



Ag Partners, while not the scale and size of these industry giants, has an even greater obligation to our customers: help you capture the highest yields possible on every acre. Our business model is one that does not compete to farm your acres, but to find the best solutions for each individual acre that you farm. We understand that no two customers are

## Drive to Feed Kids Fundraiser

Ag Partners, along with Nutra Blend, sponsored a Drive to Feed Kids Fundraiser on August 29, benefitting the Feed Our Children program. The program provides weekend food to Spencer-area children at risk of hunger.

Often, children at risk of hunger get their best and most nutritious meal at school, but may not have access to healthy food on weekends during the school year. This program currently provides weekend food for more than 150 elementary-age children that would otherwise struggle to eat on the weekends.

The event brought in more than 150 people, and raised several thousand dollars for the organization.

This is the second year that Ag Partners has made a commitment to lead a local fundraising effort as part of a national initiative called the Drive to Feed Kids, spearheaded by Nutra Blend.



## Ag Partners is now on Social Media!



Find us on Facebook  
and follow us on Twitter  
[@Ag\\_PartnersLLC](#).



Fran Marron  
VP Grain

# Harvest Procedures

Another fall harvest season with the appearance of an excellent crop is fast approaching. Please review the following Grain Policies and Procedures to help with your harvest decisions.

## Fall Grain Handling Policies

A complete copy of our Grain Handling Policies for the upcoming year is printed on the opposite side of this page. Warehouse storage charges and Delayed Price service fees are unchanged from last year.

Drying rate has been set at .0375 cents per point removed. This rate is based on current pre-season natural gas and propane rate indications and is subject to change should utility provider rates increase during season.

## Grain Delivery Numbers

We again encourage our customers to take the time to have their grain delivery numbers pre-assigned prior to delivery of the first load. Our accounting system functions on a delivery number system to ensure that your grain is properly applied to your account. We will be using our delivery placards at harvest that show your Delivery Number, Name and the Commodity. Receiving your numbers and filling out your placards in advance will save you time when the harvest season begins.

## Harvest Grain Settlement Policies

Along with the task of handling the heavy volume of grain delivered to our facilities comes the heavy volume of accounting transactions to make settlement on those grain deliveries. Due to the heavy harvest volume, our grain check policy on grain sold or applied to contract for payment prior to noon will be available for pick-up in the afternoon from 1:00 p.m. to business close. Checks on grain sold in the afternoon will be available for pick-up the following morning after 9:00 a.m.

Please Communicate With Us. We need to know the disposition of your grain upon completion of delivery. On grain deliveries not applying to an open contract, the Iowa State Warehouse Division requires us to process grain in a timely manner. If we do not receive disposition instructions within a reasonable time, we are required to process the grain to a warehouse receipt. This can in fact cost you additional charges on your settlement and we would like to avoid doing so. Thank you in advance for settling your grain in a timely manner.

## Fall Storage Availability/ Delivery Hours

We are looking at excellent crop yield potential. Ag Partners facilities are positioned very well to handle all your harvest storage and drying needs. Appropriate fall hours of operation will be in effect to keep things running smoothly. We continue to work on upgrading aspects of our operations to provide more efficient service to our customers. This year we added new truck scales and grain probes at our Maurice and Sutherland, Iowa locations. Our team looks forward to servicing all your harvest delivery needs this season at all of our grain facilities.

As always, the **safety** of our employees and our customers is paramount at Ag Partners. We ask that you take extra care pulling into and out of our dump pit areas at all times.

## Pro Pricing Program

Ag Partners is currently accepting bushels into the Pro Pricing Program for the 2016 and 2017 crop years. The Pro Pricing experts have a goal of achieving a final price in the top one third of the marketing year's price range. We encourage you to take some time to visit with an Ag Partners Marketing Service Representative about the features and benefits of the Pro Pricing Program.

## Tale of Two Different Crops in the U.S.

This year's corn and soybean crop potential in the U.S. is a story of excellent crop growing conditions and yield potential in the Western belt vs. excessive rains, poor development and reduced yield expectations in the Eastern belt. As harvest ramps up, yield reports will vary significantly between the two regions, and the market's job will be to sort out final U.S. yield and the supply vs. demand picture.

It is extremely beneficial to develop your revenue per acre targets based on your cost of production using final crop yields and set cash sales targets to help you focus on marketing the 2015 crop. We encourage growers to be prepared to take advantage of market rallies fueled by supply concerns due to crop production shortfalls in the Eastern belt. It appears our area will be blessed with excellent yields so the goal is to have the plan in place to execute on market moves like we saw in late June/early July. As evidenced by that one, the rallies don't always last long or sustain the price increase. Grain marketing alternatives that lock in a floor above your cost of production but leave upside market gain opportunity may be beneficial in executing a portion of your marketing plan.

***In this lower price market calculate:***

**Lower per-Bushel Grain Prices + Potential Excellent Yields + Crop Revenue Coverage Insurance Payments =**

**Total Gross Dollar per-Acre Revenue**





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## CHANGING Landscape



*Scott Lovin*  
VP Feed

Ag Partners experienced another successful year in feed. Between our three locations, we have milled approximately 700,000 ton of feed this past year. Through this process, we consumed over 14 million bushel of corn and 140,000 ton of soybean meal. This consumption adds value to the commodities you grow and increases your revenue opportunity.

Due to our financial strength, we can reinvest in your local community. We have several large projects currently underway. For example, we are adding a pellet tower alongside our existing mill in Sheldon. This tower will increase pellet capacity by 300,000 ton annually and sized to add an additional line in the future. Along with the

pellet tower, a new six-ton mixer will be installed. This improvement will allow us to double our mixer capacity. Ag Partners is also adding a new ingredient receiving system. These investments allow us to improve our mill efficiencies as well as increase our throughput. In other words, it's money well spent.

Our Ellsworth facility successfully completed its second new mill start-up this past year. The new mill became fully operational in February. We have been adding volume over the past several months and project it to be near capacity shortly. As tonnage increases, so does our corn grind. Last year we ground over seven million bushel at this location - July alone was the highest month with almost one million bushel. Considering this type of demand, we needed additional storage. We are nearing completion of a 720,000 bushel grain bin which will bring our total storage to 1.4 million bushels. Again, money well spent.

All of these communities will see their "landscape" changing. They will be the benefactors of job creation and increased revenues through taxes. This is another value of a strong company. On behalf of Ag Partners, I thank you for your patronage this past year. I also want to thank our dedicated employee team. Our success hinges upon this group of employees working together to provide you, the customer, a product and/or solution that helps you achieve sustainability and provides you the opportunity to "change your landscape."

**ELLSWORTH FACILITY:**

July was the highest corn grind month with almost **ONE MILLION BUSHEL.**

