

FIVE STAR PULSE

MEMBER NEWSLETTER

SPRING 2023



Cover photos are winners of our recent Team Member Photo Contest.

*Top Left: Facebook Winner, Jenn Miller, Hanlontown • Top Right: Staff Pick Winner, Bob Sobolik, New Hampton
Bottom: Staff Pick Runner-Up, Kyle Kuehn, New Hampton*

CEO REPORT: REFLECTION & EXCITEMENT

Scott Black,
Chief Executive Officer



I just wrapped up my first year with our cooperative.

It certainly makes me think about how fast time flies and how important it is to make each day count.

I am grateful for many things that have happened in my life over the last twelve months, including deciding to join the Five Star team.

Reflecting on my first year, I thought about the fantastic progress we have made as a cooperative.

We have elevated our attention to exceeding our members' expectations with the understanding that being as good tomorrow, as we are today, will not be good enough. We developed our cooperative purpose and values to achieve our goals, emphasizing that we must live our values in all interactions. We are also establishing a culture of caring where respect and appreciation are a centerpiece. We feel a strong culture of caring that values our customers and team members is transformational.

I also reflected on how we survived and flourished as we adjusted to the tornado that struck our Mason City location last April...taking out our agronomy assets there. After the tornado, we had to quickly adapt by redeploying equipment and team members to other locations. I am very proud of how

our team and cooperative members reacted, as we did not miss a beat in caring for our agronomy business.

We then started the process of determining what we would do next, considering what happened. We spent a lot of time determining what would be in our membership's best interest, what agronomy assets we need today and into the future, and where we should place them.

As a result of this process, we are pleased to announce, pending final permit approvals, our upcoming Burchinal Agronomy Complex. This complex will be built at our current Burchinal location and will include a cutting-edge technology liquid fertilizer plant with a seed warehouse and modern office space, plus a state-of-the-art dry fertilizer plant. We are very excited about this facility, which will be fully operational by the spring 2024 season.

As I further reflect, I consider it a significant honor to lead and serve this incredible cooperative of ours. Being in agriculture, we face numerous challenges, many of them outside of our control. Our focus is to concentrate on the things we can control that make our cooperative a great place to work and do business with. We remain steadfast in our commitment to our membership and team.

Thank you for your business and continued support of our cooperative.

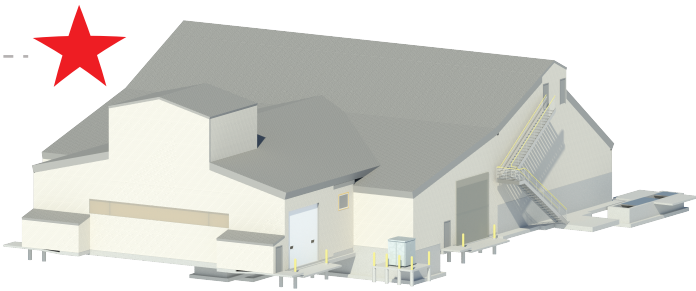


We are loving life in Iowa. Being able to kayak on Cedar Lake with our Nashua grain facility in the background is wonderful! -Scott

BURCHINAL AGRONOMY COMPLEX

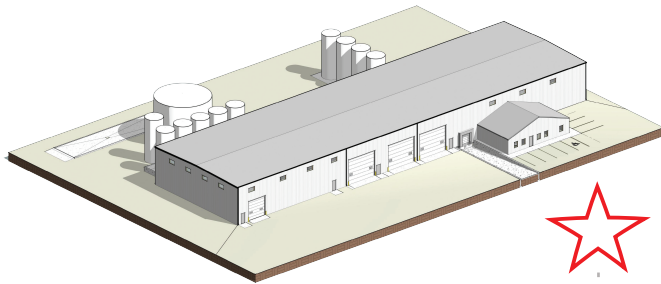
COMING SPRING 2024

We are pleased to announce our upcoming Burchinal Agronomy Complex to be located at our current Burchinal grain and energy facility.



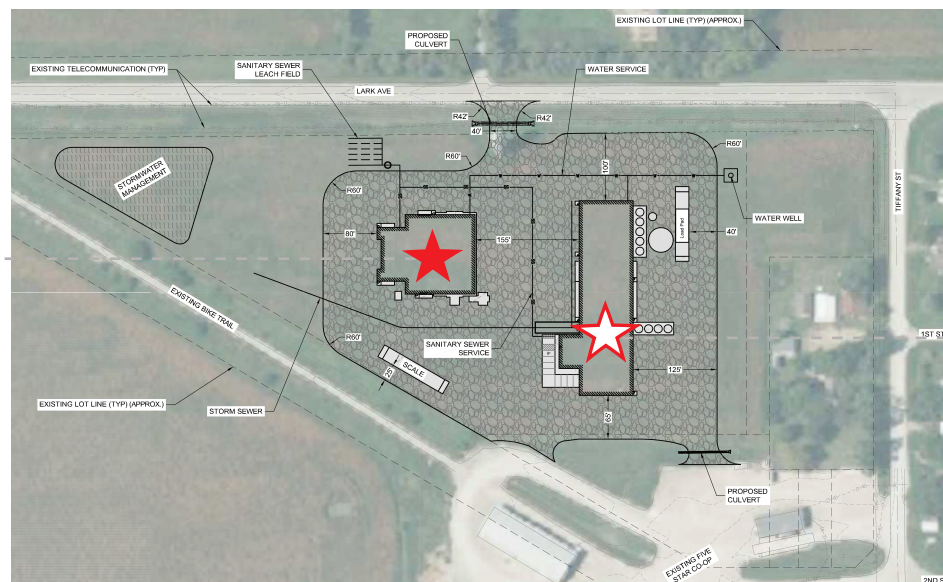
DRY FERTILIZER PLANT

- State-of-the-art 4,000-ton facility
- 200-ton per hour receiving capacity
- 200-ton per hour mixing capacity
- Rodless building with room to grow



LIQUID FERTILIZER/SEED WAREHOUSE & OFFICE FACILITY

- Almost the length of a football field
- Clear Span Building
- State-of-the-art seed treating warehouse
- 24-hour liquid loadout lane
- Modern office space



We remain steadfast in our commitment to the strength of our cooperative, our membership, and the communities we serve. Our Burchinal Agronomy Complex demonstrates our dedication to that commitment – for today and well into the future.

Agronomy Complex: 11745 2nd Street, Burchinal, Iowa 50469 | 641.822.4660

Business Office: 1949 North Linn Avenue, New Hampton, Iowa 50659 | 641.394.3052

NEWLY ELECTED DIRECTOR

Shana Cash, Board Director, Region III

Last year I served as an Associate Director for Five Star, that time gave me insight into the inner working of the cooperative system and allowed me to have input as the Five Star board choose the next CEO. Being appointed as Associate Director also displayed that the Board of Directors was willing to collaborate with non-traditional sources of information, and willing to take outside critique. Their willingness to garner new personalities and perspectives for leadership made me want to join them in continuing to move the cooperative forward.



As I sit down to write this, we have just finished planting and I have an overloaded chore list. May seems to be the busiest month, as well as the biggest month for changes; from cold to hot, and brown to green. As we transition from old crop to new crop, farming operations look for ways to make this season just a little better than the previous. Whether it's watching input costs or adaptation of new technology, every operation strives to do better. As Five Star moves forward with new leadership and projects, I am eager to be a part of making sure Five Star does better.

I humbly thank all who voted for me to become a Board Director. From one busy farmer to another, here is a recipe I use as a go-to in the spring and fall. It won't jiggle off your spoon, goes with a ham sandwich, kids will eat it, and you can make it half awake. Enjoy!

APPLESAUCE JELL-O

INGREDIENTS:

- 1 6oz Box of Raspberry Jell-O
- 1 – 24 oz Applesauce

DIRECTIONS:

Mix 2 cups of boiling water and Jell-O in a bowl and stir for 2 minutes, then pour applesauce into the mix and stir completely, refrigerate 30 to 90 minutes until firm.



Check out our website's new link
"Text Alert Sign Up"



OPERATIONS UPDATE

Tony Myers, Chief Operating Officer



It's been one year since a tornado struck our Mason City Agronomy Center and the future is looking much brighter than it did on the day of that tragedy. At this time last year, the tornado had gone through, we had freezing temperatures, and snow. Compared to this year, we have hit near 90 degrees already this year and then a cool down, but temps are on the rise again. This still gave our operations team a great head start on spring application. Just to put it into perspective, our application equipment has covered 127,000 acres so far this year compared to only 35,000 acres during the same period last year. Minimal breakdowns, and a dedicated team, have made the pre-plant season very successful. It has been one of the best we have had over the past few seasons.

Over the next few months our grain teams will be focusing on building and equipment repairs, and taking our locations to the next level of cleanliness. It seems like a long way off, but before you know it harvest will be upon us. Now is the time to get our facilities prepared to take on this year's crop. We have been moving a lot of bushels out of most locations over the past few months, and by doing so we are able to inspect bins and equipment earlier than in the past, which is a huge benefit.

It has been a safe and successful spring so far. Reflecting back to the day after the tornado, we have a lot of things to be thankful for that has made Five Star Cooperative successful. The two most important reasons are that we are a successful, hard-working, dedicated team at all our locations, and toward the customers we serve.

CONGRATULATIONS & THANK YOU FOR YOUR SERVICE



Dennis Lau our Lawler Operations Manager the last 15 years is retiring June 1. We want to thank Dennis for his dedicated service to our customers and fellow team members. We wish Dennis, Michelle, and his entire family all the best for a fantastic retirement!

CFO NOTES *Laura Schwickerath, Chief Financial Officer*



The Federal Grain Examiners were here to measure our grain, inspect grain condition and assess grain storage facilities for the ability to keep grain in good condition. All was good with their exam. A week later, in May, the State Grain Examiners showed up. Their examination is more of a paperwork audit to ensure that we are in compliance with proper scale tickets, settlements, warehouse receipts, contracts and payments. A grain dealer/warehouse is a highly regulated industry, and we thank you for getting your contracts signed and returned when we ask, as these examiners do look at them.

Also upcoming, and related to grain, is the Grain Indemnity Fund assessment. The Grain Indemnity Fund is for producers who have grain stored in an Iowa warehouse and/or sell grain to a licensed Iowa Dept of Ag & Land Stewardship (IDALS) grain dealer. In the case of a loss situation, this fund pays the claimant

90% of the claimant's loss, up to a maximum of \$300,000 per claimant (see IDALS website for more information or changes).

This assessment is being reinstated on both the producers and the cooperative, as of this writing it is set to begin 9/1/23 (subject to the governor signing this bill). The producer assessment is ¼ of a cent per bushel which will be deducted from your grain settlement and remitted to IDALS to replenish the Grain Indemnity Fund. You can find more information on this with an internet search for Iowa Grain Indemnity Fund Assessment.

Five Star is having a good fiscal year, financially. As a reminder, our fiscal year ends 08/31/23 for anyone wanting to purchase a membership, please turn that in prior to 08/31/23. **Enjoy your summer!**

AGRONOMY UPDATE

Nick Sawyer, Agronomy Director



In typical producer fashion, when it was time to go people put their head down and went to work! A nice window of warm dry weather helped advance planting progress across our trade territory during the first week of May. There is still some crop to go, but it

really feels like we have made it to the other side of the hill. I would encourage everyone to keep an eye on the earliest planted fields as they emerge, and be on the lookout for brown or damaged tissue on fresh seedlings, that may affect the final stand. There haven't been many reports of cold injury, but it is early in the emergence process, and we need to remain vigilant. I believe this year could also be a real showcase for in-furrow or seed-applied zinc. During times of stress emergence, a little zinc goes a long way toward

keeping stands strong. I would encourage, if you are able, to take a look at treated versus untreated this year.

Getting the crop in is always good news this time of year, but it looks like it isn't the only good news in the agronomy world. The predicted fertilizer reset seems to be starting due to the threat of winter natural gas shortages in Europe declining, lower dry fertilizer use in South America, and India ramping up domestic nitrogen production. Pressure is now being placed on suppliers to drive demand. This should mean better prices heading into summer and fall.

With the early planting season, we will be asking our residual chemistries to do some heavy lifting. It will be very important to utilize a plan with multiple layers of residuals if we are going to see clean fields, come harvest. It is better to start early with a good plan, than to wait and risk weeds getting a jump on us.

As the pre-season comes to a close, and post-application and hay season ramp up, please stay safe and have a great summer!

GRAIN UPDATE

Rylan Zwanziger, Grain Director



The grain market has been a whirlwind over the past couple of years. We've seen many highs and, unfortunately, are now seeing the lows of the corn market. Since the beginning of the year, July corn futures have lost around \$1.00. Funds, having been long through the last couple of years, run up in prices and have recently

just reported a net short for the first time since August of 2020. The tide has certainly changed. Old crop inventories remain tight overall, but recent Chinese corn cancellations and new crop carryout being projected over 2 billion, seem to be weighing heavily as of late. When the funds are short this time of year, we typically get a short covering rally during late spring/summertime. Is this year typical? And, if so, from where do we rally? Strong ethanol margins and expected less corn stocks, due to corn leaving our area on rail, still has us optimistic for grain basis over the summer.

The soybean front of our trade territory has a new player in SRSP,

who, after a slower than expected start, seems to be up and running smoothly now. Reports of soybean stocks in Iowa are showing commercials have 57 million bushels less, while farmers have 20 million less stocks on hand versus a year ago. Carrying inventory on either corn or soybeans, with the current inverses in the market, will be costly once again this year. We are looking to have our locations as empty as we can heading into fall. Please make sure to have your old crop grain moved. Or, at a minimum, put on basis contract if you are still friendly to the market before new crop rolls around, and the inverse is gone.

FEED UPDATE

Bill Hayes, Feed Director



Here in the feed department, we have hired a new full-time Beef Feed Salesman, Mike Kirby. Mike started on March 27th and has 30 years of experience in the feed business. He started out as a mill operator and feed truck driver in 1993

with the Arlington Co-op. Then, in 2005, he started selling beef feed and has stuck with it ever since. We welcome Mike to the Five Star feed team.

We wrapped up our booking programs at the end of April. Our Tubs and Mineral bookings went very well this year, higher bookings compared to the last



couple of years. We had to order a couple more semi loads of product this year. Creep feed bookings are comparable to the previous few years.

The swine industry is really struggling right now. Market hogs that are being sold, are losing between \$30-\$40 per head, and probably more in certain instances. Producers who are buying on a weaned pig contract are still unable to lock in a profit. There have been SEW spot pigs selling at \$10 or even less. Those pigs may be able to make a small profit though. With the swine industry struggling, there are several barns currently sitting empty, and we know there are barns that are not going to fill again. With the swine industry struggling there is very little expansion going on. Currently tons are down in both our Klemme and New Hampton feed mills.

ENERGY DEPARTMENT

Bruce Halvorson, Energy Director



Hello everyone, I hope your spring is going well. It took a little while, but we finally warmed up to get some field work done. I have a few things to pass along within the department so I will jump right into those.

Energy markets continue to trade with extreme volatilities pushing in both directions. The ongoing war, OPEC production cuts, and seasonal demands keep pushing them higher, while poor economic global news and negative basis values are pushing them lower

from time to time. I personally don't expect this roller coaster ride to change any time soon. For those still looking for diesel coverage for Fall 2023 or Spring 2024, be sure to give us a call any time for updated pricing. For those concerned with moisture in their storage tanks we have a new product available called Aquafighter, which may work for your circumstances. Give us a call if you would like to know more about this newly available tank maintenance product.

Propane summer fills will be here before you know it. Although I don't know exactly where the price will be, I am very optimistic we will see cheaper prices this year compared to what prices were last year. A few weeks down the road you should see a summer fill card in the mail so keep your

eyes open for that. For those with outdated regulators on your tank or house, we will try to set up a time to get those changed out to follow insurance regulations. We take your safety very seriously and this is just one thing we do to make sure of it. For folks interested in OTODATA tank monitors on your tanks, we have those available as well. You can download the app on your smart phone or mobile device to check your tank level anytime, from anywhere. Call and let us know if you would like to know more about this program or you can find the flyer on our website. I wish all of you a very safe upcoming summer and would like to thank all of you for your business. Please let me know if you have any questions about any of your energy needs.

Until next time.



GEARING UP FOR SUMMER FILL

TRANSPORTATION UPDATE

Gary Heselton, Transportation Director



Transportation’s current focus is utilization of our assets. Over the past several months we have been evaluating the correct number of assets to keep our operation running smoothly at full capacity. What we have found is that we had a few underutilized pieces of equipment that could be sold off. With supply chain issues continuing, the decision was made to sell these units while the demand for equipment remains strong. Several of these units sold close to our new purchase price. While in this process, we developed a new page on our company website called “Equipment for Sale” to post equipment to sell. We plan to update frequently, so check back if you don’t see anything posted.

Maintenance is another current focus for transportation, as well. Upon reviewing our current maintenance software provider, JJ Keller, we realize that we have outgrown them due to their lack of updating to electronic driven data times. It was time to start looking at new providers that transmit data electronically, verses manually. In search of the right provider, we are currently looking for a system that will extract data from our current telematics provider about our assets. The new software provider would pull maintenance schedules, per parameters set by our maintenance team, as well as alert maintenance managers when a unit develops an engine fault code. It would also generate weekly and monthly maintenance schedules coming due. Other key areas to look at are automated inventory management, which is done using barcodes. With this, when our mechanic installs parts on our equipment they will be able to scan a barcode on the part using a tablet, cell phone, or scanner which will automatically upload it to the current job they’re working on. From there, the system would create a PO determined by our parts inventory parameters. We are still in the research process and will have a new program selected soon.

2023 CUSTOMER APPRECIATION PICNICS

SCARVILLE

MONDAY, AUGUST 21
 Scarville Fire Department
 102 2nd Street, Scarville, IA 50473

VENTURA

TUESDAY, AUGUST 22
 Ventura Community Center
 4 Weimer Street, Ventura, IA 50482

NEW HAMPTON

WEDNESDAY, AUGUST 23
 New Hampton ARC
 2128 S Linn Avenue, New Hampton, IA 50659

ROCKWELL

THURSDAY, AUGUST 24
 Sacred Heart Parish
 305 Elm Street E, Rockwell, IA 50469

SAFETY UPDATE

Jesse Petersen, West/Central Safety Manager



As we progress through the spring season, it's important to remember the potential hazards that come with farming. Let's take the necessary steps to ensure safety for you and everyone that comes onto your property.

Here are tips to keep in mind as you work on your farms:

USE PROTECTIVE EQUIPMENT:

Make sure to wear appropriate safety gear, such as gloves, safety glasses, and earplugs, when using machinery or handling chemicals.

CHECK EQUIPMENT:

Before using any machinery or equipment, take the time to inspect it for any defects or damage that could pose a safety risk. Make sure to follow proper maintenance and repair procedures.

BLIND SPOTS:

With large pieces of equipment there are blind spots. Always be certain that your path of travel is free and clear before proceeding. Take note of where people, pets, or any other obstructions are at.

BE AWARE OF ANIMALS:

When working with livestock, be cautious and maintain a safe distance to avoid injury. Always be mindful of an animal's body language and any potential signs of aggression.

PRACTICE SAFE LIFTING:

When lifting heavy objects, use proper lifting techniques to avoid injury. Bend at the knees and lift with your legs, not your back.

STAY HYDRATED:

As the weather warms up, it's important to stay hydrated while working outside. Make sure to drink plenty of water throughout the day.

KNOW YOUR LIMITS:

Don't overexert yourself; take breaks as needed. It's important to prioritize your safety and health.

HAVE AN EMERGENCY PLAN:

In the event of an accident or emergency, make sure to have a plan in place, and know how to access medical assistance quickly.

If we follow these safety tips, we can help to ensure a successful and safe spring season on our farms. Let's make safety our top priority!

YIELDING **RECOGNITION**



Recently, our Team Member Wellbeing Committee launched a program called “Yielding Recognition” to help us bring recognition to our team members who go above and beyond demonstrating our core values. Team members can nominate another team member for recognition by filling out a recognition card. Every two months, the recognition cards are evaluated and the team member showing the most effective use of our values will have lunch with Scott, receive a special thank you, and a framed certificate will be hung at their home location office. For March/April 2023, our Yielding Recognition Honoree is Andy Schuster at our Dougherty location. Andy was nominated by his fellow team member, Coleman Paulus, for going above and beyond to help out another team member. If you happen to swing by our Dougherty location, you will find his Yielding Recognition Honor Certificate.

Thank you Andy, for helping build Team Five Star!



YIELDING SUCCESS
MORE THAN JUST A TAGLINE

You may have noticed; last fall we introduced our cooperative tagline... Yielding Success. A tagline is a short phrase that states a company’s overall focus. At Five Star our focus on being successful includes:

- Successfully exceeding our members expectations while doing it safely
- Successfully focusing on the wellbeing of our team
- Successfully caring for one another
- Successfully enhancing our presence in the communities we serve
- Successfully staying ahead of the future

Our new tagline reflects who we are, and how we want to enhance and improve on everything we do. We are here to provide you with products and services that are an important part of your drive towards Yielding Success.



Five Star Cooperative
PO Box 151
New Hampton, IA 50659



Burchinal Agronomy Complex

Department Updates

Customer Appreciation Picnics

Yielding Recognition

**** With coupon. Coupon expires 12/31/23**

**Call the Hardware Store
for More Info!
641-394-6155**

**When you purchase two (2) bags
of Purina Layer Feed ****

\$6.00 off

