Dear Member,

We have likely let you down in regards to our ability to be open for grain receiving and our ability to deliver LP for your grain drying needs. For a cooperative deeply committed to service, this bothers us greatly. We understand that your livelihood is jeopardized with a delay in harvest.

**What has caused this problem?**
- Late harvest of corn over a large part of the corn belt.
- Good yields carrying higher than normal moisture.
- Colder than normal weather. Taking more energy to dry corn and having a bigger draw for home heat and animal buildings.
- Pipelines simply can’t keep up with the draw.

**What specific problems has this caused us?**
Our largest problem is a lack product availability at Clear Lake, Iowa terminal. Consistent outages, and long lines, has forced us to go considerable distance to source LP. We are currently getting the overwhelming majority of our product from Kansas and Missouri. This situation is similar for many others in the upper mid-west (terminal outages), causing trucks to go long distance for product. There is a limited amount of trucks that are capable of hauling this product, and we simply cannot find enough trucks to keep up with our daily needs. There is product available at the Gulf and key hubs south, pipelines simply can’t get enough pushed north.

**What are we doing to help alleviate this problem in the future?**
- Proposal for an additional 120,000 – 180,000 gallons of LP storage. Proposal to the board in November.
- Working on potential infrastructure to offload rail.
- Diversify our LP carriers to include more out of state truck capacity.
- Have discussions with customers about more LP storage at the farm.

**What does the balance of the season look like?**
We think this tightness persists for several more weeks. We continue to see corn moisture remain high and strong yields. This likely means reduced hours at our grain receiving locations and reduced deliveries of LP.
As our ability to receive product improves, deliveries and hours will improve. Harvest is taking place, albeit at a slow pace, but as some complete this will take some pressure off. This situation will remain dynamic.

Thank you for your understanding and patience – we feel your urgency to do everything we can put you in a position to finish harvest. We are running our natural gas dryers 24 hours a day and trying to shift as much wet corn as we can to those locations. We are trying to be equitable on how we split LP between our grain dryers and customer deliveries. If you have concerns or want to discuss further, please feel free to reach out to the numbers below.

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