

COOPERATIVE PRODUCERS
[INSIGHTS]
GRAIN • AGRONOMY • ENERGY • FEED



SPRING 2022

Vision

To be the best solutions provider growing partnerships to achieve employee and customer success.

Mission

To serve our customers by providing products, solutions, and services that enhance mutual success.

Core Values

Integrity

We are accountable to the highest ethical standards in all our relationships, commitments, and actions. We build trust through honesty and consistency in all the work we do.

Employees

We value our employees and are committed to their professional development, engagement, and success. We recruit and retain the best people to continually deliver value.

Safety

We are committed to a proactive safety culture which provides a safe work environment to protect our employees and the well-being of their families. We will reinforce a safety-first mindset every day.

Partnerships

We are dedicated to delivering value to our customers by growing partnerships through agriculture for mutual long-term success.

Innovation

We deliver value by bringing cutting edge solutions to meet the future needs of our customers.

Success

We are committed to achieving long-term financial success to meet the needs of our customers. We embrace a winning culture by living our core values every day.

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Chief Financial Officer: Rick Ackerman
Vice President of Operations: Jerry Bahe
Vice President of Grain: Justin Yoesel
Vice President of Agronomy: Paul Konrad
Vice President of Energy: Larry Ehrman
Vice President of Human Resources: Sarah Ayres
Vice President of Health and Safety: Doran Burmood

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A LETTER FROM THE CEO

Gary Brandt, CEO



The events in Ukraine have to be the lead of any article written about agriculture. The market's fast and extreme reaction is proof that the world is interconnected and most of our food is grown in a few fertile spots. Ukraine and some of Russia are fertile spots, especially for wheat. The quick and severe condemnation of Russia's aggression will continue until the war has ended or is settled. Until then Russian energy exports will be curtailed or stopped. I have long believed that energy prices are the driver of all other commodity prices. High grain prices no doubt make it easier for fertilizer manufacturers to charge higher prices, however, it is the increased cost of natural gas that starts the price hike situation.

CPI's large fertilizer buildings in Hastings, Franklin, and Axtell are ready to supply you with the fertilizer you need. We have our obligations covered and will be able to meet the commitments we have made. Even though the price is high, CPI's supply is firm and secured. These same agronomy facilities at CPI have the quantities of the chemicals and crop protection products you need. We have been working hard with our suppliers to be certain we can meet the obligations we have entered into with our customers. Please speak to your CPI agronomist as soon as possible to make a plan for your farm's needs.

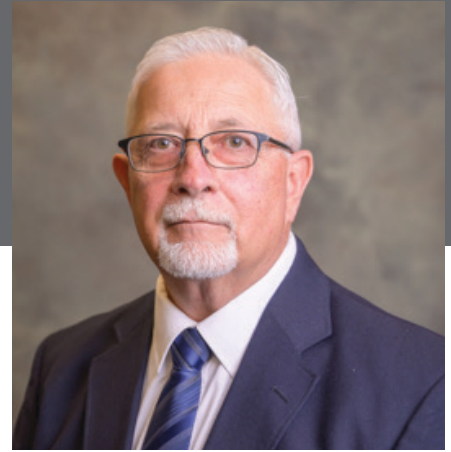
Agriculture today is complicated. And it is not just the growing of crops and changes to genetics and agronomic practices. Farming today has to be done with an eye to the future. Recent announcements of expanded soybean crushing capacity has been driven by the State of California's concern about greenhouse gasses. It is not your local county, or Nebraska, or the Federal government making these rules that affect your farm. It is elected officials (that you don't vote for) from 1,500 miles away that may change the mix of crops you grow and where those crops have to be delivered. We would be wise to watch opinions and purchasing decisions from the American consumer as another indication of potential change to your farm. As consumers use their dollars to choose energy with lower carbon intensity scores we may see this growth in soy crushing capacity expand even more.

If you get to the Hastings office, please stop by. I welcome the opportunity to speak with you about CPI and our relationship with you and your farm. Wishing you the best this growing season!

A handwritten signature in blue ink that reads "Gary Brandt". The signature is written in a cursive, flowing style.

GRAIN BIN ENTRAPMENT

Doran Burmood, Vice President of Health & Safety



When it comes to grain bin entrapment, it is easy to carry a “it can’t happen to me,” mindset. But the grim reality is that confined space related injuries and fatalities continue to happen across the United States. OSHA’s Region 5 and 7 (which includes Nebraska and Kansas) have historically accounted for nearly 70% of all documented related incidents.

In 2020, there were a total of 64 cases documented, including 35 grain entrapment, 7 falls into or from grain storage structures, 4 asphyxiations due to deficient oxygen levels or toxic environments, and 12 equipment entanglements, including those involving in floor and sweep augers, that occurred while working inside or around agricultural confined spaces according to Purdue University. Of these cases, six of them involved a youth under the age of 21.

The best way to prevent engulfment incidents are to eliminate the reasons for entering a bin in the first place, and to restrict unauthorized access by youth or other individuals who may be unaware of hazards. Planning ahead for occasions when entry is absolutely necessary could mean the difference between a safe and successful entry or death.

At CPI, we provide training to all of our employees starting day one. We train on grain storage hazards and risks involved with entering a grain storage bin or facility. We discuss grain quality problems, entry procedures, use of safety equipment, and emergency response before allowing access to a bin or storage structure.

Before a bin entry is allowed at CPI, a bin entry permit must be filled out and approved. The proper Lock-out/Tag-out procedures are followed on all equipment. Atmospheric testing is done to check for adequate oxygen content in the bin and the presence of toxic gases like carbon monoxide, fumigants, or excessive carbon dioxide. Employees are required to wear OSHA approved safety harnesses, hard hats, safety vests, eye protection, along with other PPE. We avoid entering a bin from the top, and this procedure is NEVER done alone.

While we would like to think all of our patrons have all the proper PPE and equipment necessary for proper bin entry, we know that isn’t the case. The first step to preventing a tragedy is to never enter a bin in a potential hazardous situation. Secondly, practice the buddy system.

Please don’t hesitate to reach out to CPI’s Health and Safety Team with any questions or concerns. Our team is an excellent resource with a wealth of knowledge when it comes to keeping you and your operation safe. We have recently gone out to a producer’s operation and worked with them to ensure all safety concerns are addressed and proper equipment is available to their employees. Not only does this give the farmer peace of mind, it can also help in reducing your insurance rates. CPI’s Health & Safety team wishes you a safe and successful 2022 season.

RECOGNIZING SAFETY LEADERS

Every year the Safety Team recognizes those employees and locations who have gone above and beyond in their commitment to safety through their practices and procedures.



Excellence in Safety Location Awards: Campbell & Wood River

Recognizes locations that have the highest level of regard for honesty and integrity in their commitment to safety.

Rising Star Awards

Recognizes employees that do not compromise safety or integrity for a quick solution, but show leadership doing the job safely.



Steve Cook
Fuel Delivery
@ Minden



Zach Cook
Location Manager
@ Minden



Troy Jones
Fuel Delivery
@ Trumbull



Mike Garrett
Sales Agronomist
@ Hildreth



Daryl Struebing
Professional Driver
CPI Transportation



Rachael Schoenrock
Professional Driver
CPI Transportation



Greg Adams
Assistant Location
Manager @ Hastings
Liquid Plant



Kevin Davis
Grain & Agronomy
Operator @ Sutton



Kent Steinhauer
Assistant Location
Manager @ Sutton



Derrick Drohman
Sales Agronomist
@ Nelson



Extreme Ownership In Safety Award: Sutton

Given to the Sutton location for continued high scores on their location safety audits. The Sutton employees always wear their PPE and hold each other accountable to work safely.



Here are some of the features you can utilize with a CPI-MyGrower account:

Website:

- Bids/Futures
- Contracts (PDF)
- Scale Tickets
- Storage (see what you have in storage)
- Settlements (PDF)
- Run reports (PDF)
ex. POY (get "Proof of Yield")
- Integrates with eSign (get signed contracts faster)
- Invoices (PDF)
- Prepaid Balance
- Statements (PDF)
- **Make ACH payments to CPI**

App:

- Bids/Futures
- Contracts (PDF)
- Scale Tickets
- Storage (see what you have in storage)
- Settlements (PDF)
- Integrates with eSign
- Invoices (PDF)
- Prepaid Balance
- **Make ACH payments to CPI**

Apps available for download on:



Search for CPI - MyGrower

Have you signed up for a CPI - MyGrower account yet?

Contact Russ, Vicki, or Doug in Hastings at (402) 463-5148.



GRAIN DIVISION UPDATE

Justin Yoesel, Vice President of Grain



Harvest 2021 was easily the largest harvest CPI has ever had. We took 17% more bushels than the last four year average. We were able to set records in all three commodities that we handle. On top of that, we shipped a record amount of soybean trains during harvest as well. What's even more astonishing is our total CPI grain stocks, as of writing this article, are identical to last year. We have not let our foot off the pedal shipping grain. We believe we will shatter our train loading record this season. This is truly a complete team effort at CPI to make this happen and I couldn't be more proud of our team. The investments CPI has made at our key facilities have paid off immensely.

Speaking of CPI investments, we are very excited for our upcoming project at Ragan. Our Ragan facility takes the second most grain of all our non-shuttle train locations. The project will be a hoop building design, two million bushels of space, and 20,000 bushels per hour receiving capabilities. This will help get grain off the ground, limit bushels transferred out of Ragan to Funk during harvest, and most of all give us ample room to take even more bushels at Ragan. This facility is already one of our fastest locations today and this will take it to the next level. We certainly anticipate this addition will take away some bushels from our nearby competitors and our own CPI locations as well. By bushels flowing to Ragan away from a few of our other CPI locations, this will free up more space and speed for the customers near those other locations. I am very confident this project will not only make Ragan a premier grain elevator, but this will also greatly alleviate harvest pressure at several of our locations.

It's been quite a wild ride the last two years. It wasn't long ago that corn was below \$3 at the start of the COVID scare. Ethanol plants were shutting down because the inventories were full, meat packers were full and therefore livestock feeders didn't want to buy corn, and export wasn't even an option. Today we have ethanol plants at full capacity and export at a robust pace. On top of this, the war in Ukraine sent grain prices sky high. It's hard to know how this all settles out, but we do know grain is extremely tight. On the other side we need high grain prices to pay for the enormous inflation of inputs, diesel, and everything else. It's amazing how fast inflation has risen and it makes a person wonder how much higher things will go. I have to think these inflation levels will hang around. It's an extremely important thing for everyone to keep in mind for running their business. At CPI we are seeing the same inflation as everyone else and will continue doing everything we can to keep costs down.

I am sure the next several months will be just as much of a rollercoaster as the last two years. Please reach out to your originators or the merchandising office to discuss your marketing plans. This

has highlighted the importance of setting offers and knowing where you want to sell grain. It's been amazing how fast an opportunity can come and go. We look forward to servicing your grain needs this coming season!

NEW FACES IN GRAIN MERCHANDISING

Patricia Beard, Grain Merchandiser



I joined the CPI Merchandising Team this past October. I began my career in the cooperative system and am glad to be back. I grew up on a farm by Champion, Nebraska in

southwest Nebraska. We grew corn, wheat, and soybeans and raised cattle and sheep. I left the farm for the big city with no intention of looking back. Fortunately, one of my first jobs was with Farmland Grain which secured my career in ag business. Almost 17 years ago, I accepted the Procurement Manager job with Chief Ethanol Fuels and moved from Lincoln to Hastings with my two young sons. Grain purchasing and feed sales were my first responsibilities, but I soon added ethanol sales and other duties that go along with working at a processing facility. Being part of an industry that went from 4 billion gallons of annual production to over 15 billion gallons in a span of 10 years was exciting, but challenging.

I have spent my first few months at CPI learning the people, facilities, and systems. Record crops and record prices have provided an opportunity for lots of repetition for looking up customer accounts and entering contracts. On the merchandising front, my main focus is soybeans and white corn. When I started, the market talk was of record South American crops and that the US could not compete in the export market beyond February. The drought in South America has allowed the U.S. to remain competitive and CPI will be shipping bean

shuttles into the summer. There has also been buying interest in both domestic and export markets for new crop. With new soy processing and biodiesel facilities being announced, it reminds me of my first years in the ethanol industry. The next few years will provide some interesting opportunities. We have shipped a few white corn shuttles and have several more to ship over the next four months. Before planters roll, we hope to have received most of our contracted white corn. As soon as buyers send us our next trains, we can finish up the balance.

I have enjoyed meeting the employees, board members, and farmer-owners of CPI and look forward to working with more of you in the months to come.

Henry Aufdenkamp, Grain Merchandiser

I started with CPI in mid-October of 2021. I grew up in North Platte, Nebraska, and then later attended the University of Nebraska-Lincoln where I studied Agricultural



Economics. My dad, Brent Aufdenkamp, is originally from Kenesaw, NE, so I have grown up familiar with the area of CPI's footprint. Prior to my time at CPI, I most recently worked in a very similar role with Frenchman Valley Co-op in Imperial, NE. In my role with CPI I am focused on merchandising corn, wheat, and milo. A large portion of my job surrounds our rail assets and managing railroad logistics.

This week we are rolling out our Average

Seasonal Pricing Program for new crop corn and soybeans with enrollment due by Tuesday, April 5th. When enrolling, you will sign up in 5,000 bu. increments for corn and 2,500 bu. for soybeans. The pricing will take place on the market close Wednesday, April 6th and the following 15 Wednesdays.

This pricing window has had higher levels than that at harvest time 15 out of the past 20 years on corn and 11 out of the last 20 years on soybeans. Whether making your first marketing decisions or continuing to make new crop sales, this is a great opportunity to add diversity to your marketing, take some emotion out of new crop grain marketing, and take advantage of the seasonably high futures prices.

Feel free to reach out to your CPI Originator or the Merchandising Team to enroll your new crop bushels.



eSign: a tool that saves you time & money

eSign allows you to sign documents electronically, without leaving your farm. Use eSign when signing a contract to save money on postage and gas.



NOMINATE A CPI EMPLOYEE

Help us recognize the employees who demonstrate a commitment to our Vision, Mission, and Core Values by nominating them for a CPI “I Care” Award. Deserving employees are recognized on social media and in our employee newsletter.

Know an employee who should be nominated? Email their name and a short explanation to Katie Griess at kgriess@cpicoop.com.

2021 Winners

- Cheyanne Hohlfeld
- Erin Anderson
- Phil Mazour
- Vicki Yost
- Nicolas Valderaz
- Sabrina Covey
- Connie Whitcomb
- Derrick Drohman
- Nicole Alder
- Brett Bonifas
- Mark Carlson
- Marlene Hubl



Sabrina Covey was selected as our yearly overall “I Care” Award winner for 2021.

WILL IT GET YOU THROUGH THE TOUGH TIMES?

Paul Konrad, Vice President of Agronomy



There are times when I find myself complaining about certain things such as being hungry or feeling cold in the winter or trying to sleep when it is hot in the dog days of summer. Unfortunately for her, I do most of my complaining to my wife, and I don't really expect her to react, however, she usually does. She will put a plate of food together, hand me a blanket or turn down the thermostat. After that, her question is always "Will that get you through the tough times"? The point of this is that we all rely on others to help us with our challenges, small or large. Behind the scenes, we at CPI work diligently every day to identify challenges and act to mitigate them so that your experience with your cooperative is favorable.

There is no question that we in the agricultural livelihood are facing unprecedented challenges as it relates to the products we use to steward land and grow crops. I have been in the agricultural industry since 1992 and I've seen years where demand pulled prices, like in the early 2000s, when energy prices connected to fertilizer prices, and I've seen years when costs or major commodities were driving prices. But I've never seen a year like 2021, where everything was intermingled, on both sides of demand and supply. A speaker at the 2021 Mid America CropLife Association meeting said, "The COVID-19 pandemic turned our business upside down, and we are still trying to figure out how to deal with all of this". According to recent surveys of ag retailers, 95% have experience trouble sourcing products through

the supply chain in 2021.

So, what got us here?

It was said best by an industry expert in an article I read. "It can be blamed on two simple words, usually associated with market economics and pricing: Black Swans, defined as uncommon or unusual events that have a direct, unanticipated impact upon whatever market they tend to target".

For the agricultural supply chain, the first of these took place in 2020 when COVID-19 first reared its ugly head, disrupting the normal flow of product from overseas producers to the U.S. When COVID-19 first hit, everything shut down, and it impacted the U.S. industries ability to get shipping containers, and port operations back up and running again. This has caused massive increases in the costs to get cargo vessels and created demand for these vessels that were typically used to ship chemicals and fertilizer across the oceans. We find ourselves competing with companies like Amazon for freight space now as they are shipping product purchased by all the people that sat at home on their computers during the height of the pandemic. The last two years have been plagued with labor shortages, transportation availability and logistical delays.

Natural disasters impacting raw material supplies also account towards the impacts we are feeling today, starting with black swan events in late 2020. The Derecho storm that

hit parts of the Midwestern U.S. in July of that year resulted in crop price increases and fertilizer demand spikes. Add to that the Polar Vortex in February 2021 that caused serious problems with the Texas power grid, taking manufacturing and refining facilities offline and slowing production of products common used by agricultural producers. Hurricane Ida came next in August of 2021, hitting the Gulf Coast and disrupting power for weeks to fertilizer and chemical plants in the region impacting production and transportation of both fertilizer and chemicals - including main domestic production facility for Glyphosate production.

Two of the main fertilizer producers in North America filed for unfair trade practices and have been rewarded with tariffs that have further thwarted imports into the United States. Small things you wouldn't think would have an influence as well have impacted us, such as slowing down production of raw ingredients for Glyphosate in China during the Winter Olympics, so that they could have clean air for the events.

The latest event that has piled on to this melee is the war going on in Ukraine. The loss of fertilizer exports from Ukraine and Russia will have indirect influence on our supply as well. Other countries that usually import product from these two regions, will be competing for the tons that we usually get in North America.

All of these factors have contributed to our current situation, a short of inventory, supply driven market. From Economics 101, decreased supply = higher prices.

Where are we now? From our perspective, CPI's agronomy division is positioned better than many other dealers to supply your spring

needs. The recent investments that CPI has made in new liquid fertilizer storage and handling facilities, on two major rail lines (BNSF and UPRR) and the bulk chemical storage in Hastings bring monumental advantages. Your cooperative has the ability to receive product by rail in 110-car unit trains to fill 75,000-tons of new liquid fertilizer space and receive 525,000 gallons of bulk chemicals into new tanks. The investment your cooperative has made has allowed CPI to procure and receive products that our patrons and customers will need to fertilize and control pests and diseases this spring. There will be challenges and you may experience some brand substitutions or different chemistries to get through, however, we have covered what has been committed to CPI with prepay and booking contracts.

What is ahead? It is hard to determine exactly what or if additional challenges will surface, however, we anticipate that supplies will remain tight and the supply chain will remain in need of improvement. We expect raw material costs and supply chain disruptions to continue impacting the agricultural industry through 2022 and early 2023. It is more important now than ever, to have a plan and an alternative plan for what you use when preparing for the remainder of 2022 and into the 2023 crop year. Below are some suggestions on how to prepare:

- **Proactively plan with your CPI Sales Agronomist.** It will be critical for CPI to act early within the supply chain to position inputs for the remainder of 2022 and into 2023. Communicating your needs and building a plan with your CPI Sales Agronomist, will provide a higher

level of success in competitively sourcing and fulfilling crop input demand.

- **Fight the urge to cut rates or cut back.** You are great at what you do and raising the best and biggest crop will still be in your best interest. Selling a short crop due to negative yield impact from input reductions will disappoint you if commodity prices continue to hold firm or increase.
- **Stabilize your inputs.** Products are available from CPI that hold nutrients in the soil and improve the availability of nutrients for the crops you are growing. Your CPI Sales Agronomist is a professional at recommending these products for your specific situation.
- **Utilize technology.** Put higher priced inputs in the places where they will generate the most benefit. With our Fieldalytics software, our agronomy technology team and our Sales Agronomists, zone specific prescriptions can be written to maximize return on your input investment.
- **Stay tuned in.** Pay attention more than ever to the information you receive from your CPI Sales Agronomist. We work hard every day to aggregate relative information from experts in the supply chain to provide intelligence to us so that we can pass information along with recommendations.

Challenges, small or large, can be overcome when we have a plan and work together. If we align, share and communicate well, I am confident that we will be able to prosper. Our entire team is looking forward to understanding the challenges, developing the solutions and look forward to providing inputs and services to get us all in the industry, through the hard times.

SHOWTIME NITROGEN STABILIZERS

Fertilizer season has started! Let's make sure you are protecting your investment with nitrogen this season to ensure it's available when the plant needs it. Contact your local CPI Sales Agronomist today to learn more about our line of nitrogen stabilizers!



2022 CFA FINANCING PROGRAMS

Cooperative Producers, Inc. and The Cooperative Finance Association are offering special financing programs, available to you, for the 2022 crop year on products and services provided by CPI.

PROGRAM BENEFITS

- Improves security of product supply
- Locks-in input costs to maximize income potential and reduce risk
- Secures a confidential source of payment for input products and services
- Presents a comprehensive agronomic relationship to complement your operation
- Provides flexible payment date to match your marketing strategy
- Offers early payment without penalty
- Saves time with convenient one-stop source for all your input needs

SEND COMPLETED APPLICATIONS TO:

rkulwicki@cpicoop.com

OR

Cooperative Producers, Inc.

Attn: Russ Kulwicki

PO Box 1008

Hastings, NE 68902

QUESTIONS? Contact Russ at (402) 463-5181



**DOWNLOAD THE 2022
CFA APPLICATION & VIEW
FULL PROGRAM DETAILS AT
www.cpicoop.com/resources**



2022 MATCHING FUNDS OPPORTUNITY

CPI is once again partnering with CoBank and the Land O'Lakes Foundation to provide our local communities with funds to support local projects. The CoBank Sharing Success Matching Grant Program and the Land O'Lakes Foundation Member Co-op Match Program match the cash donations of member cooperatives.

These matching program funds are awarded to a wide variety of eligible local projects undertaken by nonprofit organizations. Grants are restricted to organizations with tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. CPI recommends local fire departments and first responders take advantage of these generous programs.

The matching funds request form will be available on the CPI website beginning April 1st. The deadline to submit your request for consideration of the 2022 matching funds is June 30th. All matching fund requests received after this date will not be considered for this year's matching funds.

You may email completed request forms to donations@cpicoop.com or send them to the Hastings Corporate Office; Attn: Katie Griess.



ENERGY UPDATE

Larry Ehrman, Vice President of Energy



I've caught myself saying "I've never seen that before" a lot over the last month, sometimes on a daily basis. It's been a crazy month and I don't see it changing much for a while. We live in an era where information flows at breakneck speed and the markets and the world reacts often before information is fully digested, coupled with the media parading countless experts out to predict gloom and doom resulting in huge daily swings in the market.



This is the April diesel fuel chart running from February 22nd to March 17th. On 2/22 it was at \$2.73, then on 3/9, just 11 trading days later, it hit a top of \$3.48, back to \$2.94 on 3/15, and back up to \$3.48 on 3/17. Now it's up to \$3.80 on 3/21.

High to low, the diesel fuel market moved \$1.97 in less than a month with an up day of 61.5 cents and a spectacular down day of over a dollar. With days like this, it's hard to keep up!

Fortunately, our costs haven't followed these moves cent for cent, but we have seen daily moves of 40 or more cents. This becomes a challenge in pricing and pulling loads as the costs will change during the day when the market is moving rapidly. Our suppliers will put out a notice at noon that the costs will be changing at noon. When loading fuel, you receive the price that is active when you finish loading, so if the cost is going up 20 cents at noon and our truck starts loading at 11:45, but doesn't finish until 12:01, we pay 20 cents more per gallon for the fuel than if we finished at 11:59.

So, if we get a full load of diesel, 7,500 gallons times \$.20, we are paying \$1,500 more for the load than we had planned. The main thing is to not panic. Don't do anything drastic and buy the dips!

To the right is a chart of diesel rack prices at the Doniphan terminal from December 1, 2021, prior to the war, and March 24, 2022. It started at a low of \$2.14 on 12/1, rose to a high of \$4.29 on 3/8, back down to \$3.29 on 3/15, and then back up to \$4.04 on 3/23 - crazy volatility!



We are fortunate to pull a majority of our fuel from the Doniphan terminal and supply has been extremely good, with only a couple brief interruptions. Inventories of diesel fuel are much lower than normal throughout the country; however, we do not expect to have many supply issues this spring and early summer. Propane has been a different story as the Midwest has experienced constant terminal outages as inventory levels are extremely low and there has been large exports out of the gulf. This in turn pulls propane from the caverns in Conway, Kansas and ships it to the gulf to export creating a tight supply situation for the pipeline systems of the Midwest. We have been able to keep our tanks full and are in good shape to finish out the heating season and supply summer irrigation.

We have experienced supply chain issues in other areas of the company as well. On the tire side, ag tires and specialty commercial tires have been difficult to get. Anything that isn't a very common size is generally backordered. We were proactive this winter and placed orders for ag tires much earlier than usual and are happy to report that our warehouse is well stocked for the season.

Lubricants are experiencing supply issues caused by the inability to get additives that are used to blend oil. Suppliers are on force majeure in most cases and we have been experiencing backorders regularly. Our suppliers are telling us to expect the supply to get tighter into the summer, so we recommend you keep your tanks on the high side.

If you have been into our Premier Stops, you have noticed that we are out of many items, especially candy and chips. Our suppliers have just not been able to fill our orders. Fuel and propane parts and equipment are also slow to come in and we are having to substitute parts from brands that we generally don't use. Tanks are also hard to get, especially in large sizes. It may be as much as six months to get delivery. Long story short, we are working hard to keep inventories up and ask for your patience for the items we are out of.

These are challenging times and we are doing our best to navigate them and continue to offer a high level of service. We are fortunate to have great employees who are dedicated to our customers and are willing to go above and beyond. Please take a minute to thank them for what they do. They really are what makes CPI, CPI.

TIRE INDUSTRY UPDATE

David Nall, CPI Tire Operations Manager



The tire industry has faced many challenges over the last couple of years and it has greatly affected the supply of new farm tires. It started with the shutdown of plants due to COVID-19 restrictions. While most of the ag sector continued to operate as usual, the ready inventories of tires were quickly used up, creating shortages across the board. Plants have been slow to get back to full production due to the difficulty of finding workers and a shortage of the raw materials needed to produce tires which has in turn affected the entire tire industry, from commercial to ag and passenger to light truck tires.

Since a large percentage of tires are imported, the shortage of shipping containers and backups at out ports has delayed the build back of inventory. Many tire manufacturers are still not running at full capacity, so they are shifting their production to those lines that are most in need and highest in volume. As a result, the ag industry has taken a hit as fewer manufacturers are producing ag tires. All these factors have aligned and we have experienced large price increases on all tires.

We don't expect this situation to improve greatly for at least a year or two, so we've been working closely with our supplies to ensure that we receive the tires we need to cover current demand and future needs.

Starting back in January 2020, we developed a 12-month usage plan to forecast the tires our customer would need on a monthly basis and placed advanced orders to stay ahead of the demand. While this has required us to carry more inventory than normal, we are well positioned to weather backorders and fulfillment issues. By continuing with this plan, we feel we can cover our customers' needs. We will still have shortages for the next 18 months, but generally we plan to be able to fill 95% of our orders.

Firestone, Michelin, BKT, and Titan have all changed their business models to meet as much of their current demand as possible with available resources. Unfortunately, ag tires sometimes fall through the cracks. We are paying special attention to them and as you can see in the picture of the inventory of farm tires we have in our warehouse in Trumbull, we are ready for our customers.



FUELING SECURITY AND UPGRADES

Hannah Swink, Energy Accounting & Sales Manager



Credit card safety and security is a top priority at CPI. We have upgraded all of our sites by installing EMV chip card readers outside at the dispenser. These card readers, along with the latest software, are CPI's defense

against credit card fraud. With new technology brings change. The process of sliding your card at the pump has now changed in minor ways. The new readers will now lock your card into the reader while its being authorized. Once authorized the card will be released. As a secondary security check, you will be asked to enter the zip code associated with the card.

Pump authorization limits were implemented as an added security measure for the consumer and the merchants. These limits prevent a customer from fueling over a preset amount within a single pay at the pump transaction. These limits have been directly impacted with the rising fuel prices. There will be a temporary increase in pump authorization limits to \$175 for MasterCard, Discover, American Express, and Visa EMV transactions. The limit set for debit is \$75 per single pay at the pump transaction.

Over the past year CPI has upgraded the image of several of our Cenex® branded sites. Pictured are some of the improvements done to fueling sites. The next round of image upgrades will begin in the coming weeks. As part of this image upgrade, be on the lookout for new price signs as well as an update to the fascia on the canopies. Sites that are scheduled to be updated in the coming year include Juniata, Lawrence, Blue Hill Premier Stop, Clay Center Premier Stop, Hastings North Premier Stop, Hastings South Premier Stop, Kearney Premier Stop, Superior Premier Stop, and Red Cloud. Wood River will soon have 24 hour pay at the pump fueling and will offer diesel, along with higher blends of ethanol.



Sutton's image upgrade



Pump upgrades at Kearney Premier Stop



Pump upgrades at Superior Premier Stop



New price signs at Franklin Premier Stop & Wilcox Station

ENERGY CONTRACTS & PROCEDURES

Warren Hull, Energy Operations Manager

In the past couple of years, we've seen unprecedented volatility in energy markets. Things like pandemics, wars, Federal Reserve money policies, political events, supply interruptions, etc. can have dramatic effects on markets. To mitigate some of the risk I thought I'd review the contracting options we have available. For both gas and diesel, we offer 3 month multi-month contracts: Spring - March, April, & May, Summer - June, July, & August, Fall - September, October, & November. On diesel we also offer a March-November contract. Those can be done as a plain fixed price contract with no payment in advance or a 100% prepaid contract. For propane we offer contracts for irrigation (April-August), grain drying (September-November), and winter heating.



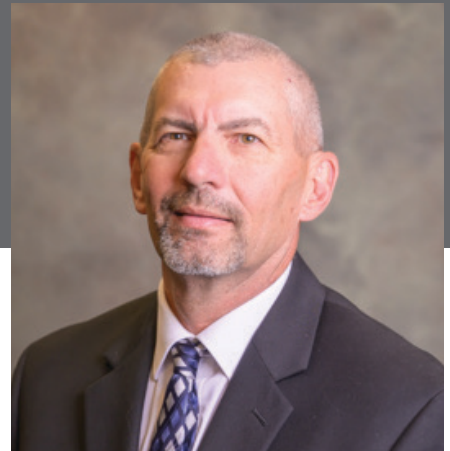
We offer contract prices all year long, but historically we have seen that a good time to fill diesel tanks and contract fuel for the next year has been the last half of November and the first half of December. If you lock in prices for a portion of the next year's usage, it allows you to sell some grain at the same time to take some risk out of your marketing. Whenever you sell grain it's also a good time to consider locking in your fuel prices. We can't control energy markets, but we can utilize contracts to control some risk.

For contract pricing and to lock in your needs you can contact me or Devin Lewis in Juniata at 402-751-2922 or any of our Energy Salesmen - Jamy Schultz 402-469-6096, Tim Weides 308-627-9100, or Jeff Schlender 308-627-0025.

A promotional graphic for CPI. The background is yellow with a pattern of small black dots and radiating lines. In the top left is the CPI logo. The main text is arranged in a 3D effect: 'SPECIAL OFFER' in red, 'FINAL SALE' in large white and yellow letters on a black rectangular block, and 'ON SELECT OIL' in large black letters below it. Underneath that is 'WHILE SUPPLIES LAST' in red. At the bottom, in smaller black text, it says 'CONTACT YOUR ENERGY SALES REP OR THE JUNIATA STATION FOR MORE INFO. (402) 751-2125'.

FROM THE FEED BUNK

Tim Uden, Director of Animal Nutrition



As ranchers we know the value a good corner post brings to the fence line. Mineral in the cattle operation is also very much a “corner post” when it comes to the nutrition of your cattle herd. Deficiencies in mineral have adverse effects on the immune system, lack of performance, and a pyramid of reproductive problems.

Most producers have started calving or are about to enter the calving season in South Central Nebraska. Ranchers are in one of the most crucial periods of the year for the cow herd. Common disorders seen during this season are milk fever and grass tetany caused by low Calcium and Magnesium. Weak calves are another problem caused by inadequate mineral intake. Newborn calves rely solely on good colostrum to get off on the right foot and a healthy start. Calf scours, abomasal ulcers, pneumonia, and apparent vaccine failures have been traced to mineral deficiencies. Through the use of a strong mineral program one can avoid the problems deficiencies bring and maximize the performance of your herd.

During this season of calving let’s start thinking about getting your bulls “charged” back up. Using a mineral with Availa 4 trace minerals helps restore their vitamin and mineral stores. Along with boosting your bull’s nutrition, mineral also helps boost the quality of semen those bulls are producing. Availa 4 has shown to provide stronger motility and morphology to bulls if fed approximately 90 days prior to the breeding season. This is also a good time to evaluate the body condition of your bulls and make

adjustments accordingly.

Enough on the bulls, let’s

look at the ladies of the herd. Moving into the breeding season nutritional and mineral requirements are increasing. This is especially true for first calf heifers and older cows that can’t forage adequately. Using a complete mineral with Availa 4 will help the entire herd maintain vitamin and mineral stores through a period of high demand. Cows in lactation can see a benefit in fertility, milk production, and prevention of Grass Tetany and Retained Placentas. Calves have shown improvement in immunity, muscle formation and blood production. Getting cows rebred early in the breeding season greatly increases profitability due to a heavier, more uniform calf crop. If 60, 30, and 10 percent of the herd conceives in the first, second, and third 21-day breeding cycle in comparison to 40, 40, and 20 percent conception rate, there is potential to increase weaning weights by 14 lbs. However, mineral isn’t only important before and during breeding season. It’s important to maintain a year-round program.

It’s also recommended to offer Altosid IGR 30 days prior to overwintering fly emergence or the last frost of the year to assist with fly control during the summer months.

Altosid can be fed as part of your spring breeding mineral

program. In our part of the world, flies start to emerge around mid-April. If an IGR isn't used prior to fly emergence and then introduced to the herd, horn flies will be seen in excess for 18-20 days, as that is the length of the horn fly life cycle. These flies haven't been exposed to Altosid IGR and will be laying their eggs in manure treated with Altosid, inhibiting the growth of future Horn Fly generations. How do you know your cattle are uncomfortable due to horn flies? Here are a couple examples:

- Cattle are bunched in a corner and rubbing on each other.
- Cattle rubbing against trees/shrubs when moving around the pasture
- Hiding in the trees when temperatures are moderate.

Minerals are fed at a low inclusion rate that they are a very minor cost of production, especially considering the tremendous effects they have on performance. A mineral costing \$150/ton more only requires an additional 2 lbs. per calf to pay off. Furthermore, data shows using an Altosid mineral can aid in increased weight gain by 15% in comparison to untreated calves. For more information or help setting up a mineral program for your herd contact your local CPI feed outlet or Seth or myself in Juniata.



EMPLOYEES RECEIVE SERVICE AWARDS

The following employees received an award for their years of service at CPI's Employee Retreat.

5 Years

| | |
|----------------|--------------------|
| Lori Augustin | Juniata |
| Nick Autry | Hastings Corporate |
| Weston Brinda | Franklin MNL |
| Laurie Fauss | Axtell Station |
| Candy Gomez | Juniata MNL |
| Michael Hall | Hastings Corporate |
| Deanna Hammond | Safety |
| Tarah Hoyt | Juniata Station |
| Mike Northup | Giltner MNL |
| Cyndi Vencill | Hastings Corporate |

10 Years

| | |
|--------------------|--------------------|
| Doug Ahrens | Hastings Corporate |
| Mike Debusk | Agronomy Sales |
| Tyler Gilmore | Hastings |
| Richard Holdsworth | Trumbull |
| Melody Sage | Hastings Corporate |
| Tom White | Sutton |

15 Years

| | |
|-----------------|-------------|
| Lee Newport | Maintenance |
| Pam Robinson | Wilcox |
| Kody Steinhauer | Millwright |

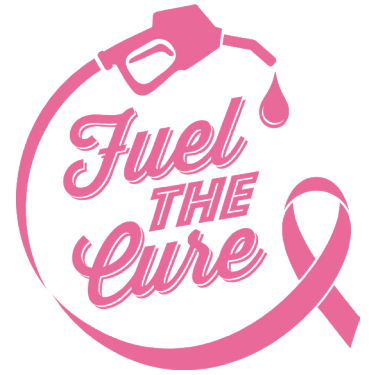
20 Years

| | |
|---------------|--------------------|
| Loyd Evers | Transportation |
| Curt Farver | Nelson |
| Joe Gilbert | Millwright |
| Russ Kulwicki | Hastings Corporate |
| Brian Pahl | Nelson |
| Tim Uden | Juniata |
| Tim Weides | Energy Sales |

2021 FUEL THE CURE DONATION

In October 2021 we participated in the Nebraska Ethanol Board's Fuel The Cure campaign. When you filled up with higher blends of ethanol at one of our ten participating locations, we contributed 3¢ per gallon to breast cancer research. CPI patrons pumped a total of **112,840 gallons of ethanol** during the month of October and we donated **\$3,385.20** towards the cause. A grand total of \$10,827.61 was presented to the Fred and Pamela Buffett Cancer Center in December.

In the past four years, fuel retailers across Nebraska have joined forces to raise nearly \$30,000 for cancer research as part of Fuel the Cure.



We're Hiring.

Competitive Pay & Generous Benefits Package

WHAT SETS US APART?

Training Programs For All Positions

Co-op Retirement Defined Benefit Pension Plan

Employee Profit Sharing Plan

Committed To Our Employees' Professional Development, Engagement, and Success!



PREMIER STOP ICE MACHINE UPGRADES

In continuing with CPI's safety culture, the Blue Hill Premier Stop is preparing for ice makers to be installed on top of their fountain pop machine, thus helping to avoid possible back, lifting, and ladder injuries. All of the Premier Stop locations will be receiving them in the near future. Though the total cost of this project is by no means cheap, it is far less expensive than the possible cost of even one back injury to CPI!

Scan For More Info



www.cpicoop.com/careers

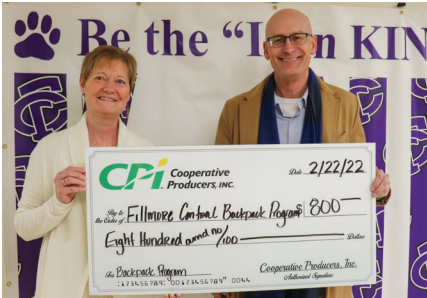


LOCAL HUNGER DONATIONS

In the fall of 2021 CPI utilized the Land O'Lakes Foundation's Member Co-op Match Hunger Program to provide a helping hand to local schools with backpack programs in our surrounding communities. We challenged our employees to make donations and each dollar donated was matched by CPI and then the overall donation was matched by the Land O' Lakes Foundation. We were able to donate a combined total of **\$15,460** to thirteen local schools' backpack programs.



Blue Hill Public Schools



Fillmore Central Public Schools



Giltner Public Schools



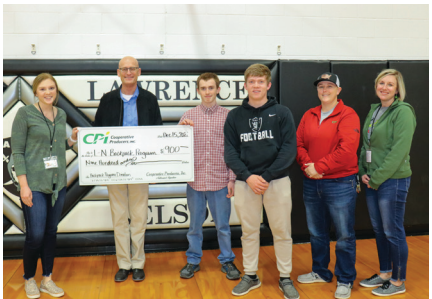
Hastings Elementary Schools



Hastings Middle & High School



Kenesaw Public Schools



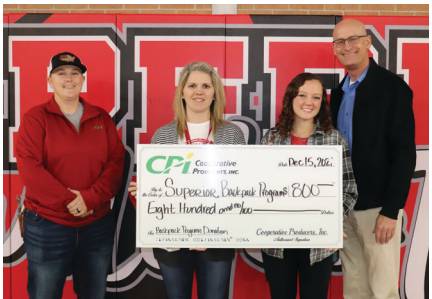
Lawrence Nelson Public Schools



Sandy Creek Public Schools



Silver Lake Public Schools



Superior Public Schools



Sutton Public Schools



Wilcox-Hildreth Public Schools



Wood River Public Schools



Cooperative Producers, Inc.
 265 N Showboat Blvd
 PO Box 1008
 Hastings, NE 68901

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TURN GALLONS INTO GIFT CARDS

MONDAY, APRIL 4TH – THURSDAY, AUGUST 4TH 2022



**MID-NEBRASKA
 LUBRICANTS**

