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A MESSAGE FROM THE CEO

As part of our ongoing communication with the AGP membership, we are excited to share with you the many important activities of your cooperative. Highlighted on the cover and inside this issue is the successful completion of major capital projects to expand our integrated soybean processing platform at the Company’s Sergeant Bluff, IA location. The AGP Board of Directors recently toured this facility to view the new soybean oil refinery and expanded biodiesel capacity, and interact with the excellent AGP team members who operate the facility and run its marketing programs. The visit confirmed that the facility is positioned for many years of success and value to AGP members.

In July and August, AGP team members hosted a series of Area Meetings with cooperative members at three locations in Iowa and Nebraska. Overall, more than 50 AGP members participated in the meetings. AGP’s senior management team presented business, market, and financial updates, followed by responses to questions from participants regarding the overall business direction. As highlighted in these meetings, AGP continues to achieve success through record operating volumes, ongoing business investment, and solid earnings. Moreover, the Company’s financial position is very strong, and thus allows the continued strategy of providing good cash returns to our members.

Also highlighted in this issue is a selection of a broad range of stakeholder/customer meetings AGP employees hosted ranging from international trade teams to soybean associations to students. We are very fortunate to engage so many different groups of leaders to tell the story of AGP and the cooperative model.

As we enter the fall, on behalf of your cooperative we wish you and your members a safe harvest!

Best regards,

J. Keith Spackler
AGP’s 2017 Interns

AGP’s summer intern program was “very successful” according to Elizabeth Harders, Corporate Recruiter, Human Resources. “We had ten students and all of them stayed busy assisting with projects and learning more about career opportunities with AGP. Among the positive feedback we received was that our internship program was very hands-on which allowed them to learn new things.”

Left to right: Ross Raymond, Iowa Lakes Community College, Estherville, IA; Michael Barr, Iowa State University (ISU); Lauren Groth, ISU; Joseph Haas, Kansas State University (KSU); Patrick Morrison, ISU; Ben Rickers, ISU; James Killpack, ISU; Cody Myers, South Dakota State University; Mike Lindemann, ISU; and Evan Balthazor, KSU.

The students shared their intern experiences and met with members of the AGP management team to learn more about career opportunities with AGP and in agriculture.

AGP Celebrates Co-op Month

AGP recognizes that October is National Co-op Month and this year’s theme is “Co-ops Commit.” This theme exemplifies AGP’s commitment to its members/owners and the communities we do business in. We believe cooperatives like AGP play a vital role in providing economic opportunities for rural communities, retaining farmer ownership and control in the production and distribution chain, and ensuring a safe and affordable food supply while protecting the environment.

For more than 100 years, cooperatives have played an integral role in the lives of farmers, the business of agriculture, and the economy of rural America. AGP believes farmer-owned cooperatives and the strength of the cooperative business model will empower farmers to respond to the many opportunities and challenges facing agriculture in the future.
AGP Board Tours Sgt. Bluff Facility

The AGP Board of Directors recently toured the Company’s operations at its Sergeant Bluff, IA integrated soybean processing facility. Over the past several years, AGP has made significant capital investments in the facility to increase capacity and create new opportunities for the Company and its members.

Two major capital projects were completed this year. The first was the construction of a new soybean oil refinery, which began operations in February. The second project was an expansion of the facility’s biodiesel production capacity, which doubled the plant’s annual production from 30 million gallons to 60 million gallons.

“These projects were completed on schedule and within budget, and the startups of both plants went extremely well,” said Cal Meyer, Chief Operating Officer. “The expanded capacity creates new jobs and market opportunities in the region.”

“AGP’s investment in the Sergeant Bluff facility is consistent with our overall strategy of supporting and growing the Company’s core businesses,” noted Keith Spackler, Chief Executive Officer. “These projects enhance our integrated platform across all operating units.”
Area Meetings

Highlights

“Given the market conditions and headwinds we faced, earnings for fiscal 2017 reflect a good year driven by strong performance in all of our business units.”

Scott Simmelink, CFO

AGP hosted a series of Area Information Meetings this summer for its members at locations in Iowa and Nebraska. The Area Information Meetings featured presentations from AGP senior leadership about the current business operations and strategy of the Company, market insights and analysis, and preliminary projections on financial results for fiscal 2017.

“I would like to express our appreciation for your support and for your business because that is certainly a key part of what makes AGP successful, especially in this cyclical downturn that is a part of agriculture,” AGP CEO Keith Spackler reported to the members. “I am especially proud of the overall AGP team for optimizing our returns and success in the current marketplace.”

While AGP’s earnings will be down from fiscal 2016, they will still be among the upper third in the Company’s 34-year history. “Given the market conditions and headwinds we faced, earnings for fiscal 2017 reflect a good year driven by strong performance in all of our business units,” reported CFO Scott Simmelink. “AGP’s patronage and cash returns continue to be at very solid levels and the financial strength of your cooperative remains very strong.” In addition to returning cash to members, Simmelink said that AGP’s capital expenditures over the past five years are allowing the Company to continue its strategic growth objectives.
Cal Meyer, COO, reviewed AGP’s capital investment projects completed or underway in fiscal 2017. These included a new soybean oil refinery and expansion of the biodiesel plant in Sergeant Bluff, IA; soybean receiving upgrade at St. Joseph, MO; and ground breaking for construction of a new soybean processing plant in Aberdeen, SD that is scheduled to be operational in 2019. Meyer also reported on a record year at AGP’s export terminal at the Port of Grays Harbor in Aberdeen, WA. He highlighted increasing global soybean demand as a key driver of the Company’s success.

Other AGP team members provided updates on commodity markets and the individual business groups.

AGP’s fiscal year ended August 31. Complete financial information on fiscal 2017 will be presented to cooperative members in the 2017 Annual Report along with management reports at the upcoming Annual Meeting in January.
AGP Welcomes International Trade Delegations

As a component of AGP’s international marketing program, AGP welcomed several international trade delegations this summer. These included representatives of feed companies and pork, dairy, and poultry producers from Mexico (pictured at right, with Glenn Von Seggern, far left, Senior Merchandiser).

AGP also hosted a number of representatives from the Pacific Rim including the Philippines, Vietnam, Indonesia, Sri Lanka, Japan, and Thailand. The buyers were in Omaha, NE participating in the U.S. Soy Global Trade Exchange and Midwest Specialty Grains Conference and Trade Show.

Additionally, AGP hosted a delegation from Central Europe interested in U.S. dairy production including feed ingredients.

Southeast Asia

Left to right: Craig Pietig, Director of Exports, Omaha, NE; Kritsadachaj Thirathanachot of Betagro in Bangkok, Thailand; and Wayne Johnson, Regional Marketing Manager, Sergeant Bluff, IA.
A trade team from Central Europe interested in U.S. dairy production and feed ingredients toured several dairy farms, soybean farms, and AGP’s AminoPlus® production facility in Dawson, MN.

A trade delegation from the South Asia and Southeast Asia learned more about AGP while visiting the Company’s soybean processing facility in Hastings, NE.
AGP Hosts Future Leaders of Heartland Co-op

AGP hosted a group of producers, Board members, and staff of Heartland Co-op, Des Moines, IA at its Eagle Grove, IA facility as part of Heartland’s “Young Leaders Program.”

“Anytime we get an opportunity to host young cooperative leaders and talk about how local and regional cooperatives work together to benefit farmers, it’s a great opportunity,” said Mark Sandeen, Vice President Processing Marketing, who welcomed the group to Eagle Grove.

Twenty-five young farm families are involved in Heartland Co-op’s Young Leader Program which is completing its second year. “The program was formed to educate our younger members on the value of the system they own,” said Tom Hauschel, CEO/General Manager. “The majority of these young farmers do not know the story of why cooperatives were formed and have not experienced life without a cooperative. It’s not that the younger farmers aren’t engaged in the cooperative but no one has taught them why it exists and what their grandparents did to create the cooperative in their home town to provide markets, supplies, and services.”

The program allows senior management and the Board of Directors to interact with and teach the next generation about the assets that they own, added Hauschel. “The process also allows us to prepare several younger farmers to be Board members in the future. As our cooperative has grown and become more complex, we felt the need to prepare several additional members to be future Board members.”

Mark Sandeen, Vice President Processing Marketing, discussed how local and regional cooperatives work together to benefit producer/members during Heartland Co-op’s “Young Leaders Program” at AGP’s facility in Eagle Grove, IA. Additional AGP presenters were Jeff Lampman, Plant Operations Manager; John Dugger, Refinery Operations Manager; and Jim Rodenburg, Corporate Communications Manager.
CFE Holds Strategic Planning Retreat at AGP

Cooperative Farmers Elevator (CFE), Ocheyedan, IA held its strategic planning retreat at AGP’s corporate office in Omaha, NE. Mark Sandeen, Vice President, Processing Marketing and Matt Caswell, Vice President, Member/Corporate Relations and Government Affairs, were presenters at the retreat. They discussed agricultural markets and government policy with the CFE leaders.

FCC Board Tours AGP’s Export Terminal

The Board of Directors of Farmers Cooperative Company FCC), Craig, IA recently toured AGP’s export terminal at the Port of Grays Harbor in Aberdeen, WA.
The members of Farmway Co-op, Inc., Beloit, KS approved a merger proposal with Central Valley Ag, York, NE effective September 1, 2017. The merger was approved by a majority of 91 percent. The unified cooperative will retain the Central Valley Ag name and be headquartered in York, NE. Carl Dickinson is President/CEO.

The Patrons of the Nassau Farmers Elevator Company in Nassau, MN voted by a 97 percent margin to merge with Wheaton-Dumont Cooperative in Wheaton, MN. This merger was effective September 1, 2017. Philip Deal is the General Manager at Wheaton.

NEW Cooperative, Fort Dodge, IA has acquired the assets of Berne Cooperative in Mapleton, IA and Ute, IA effective August 1. Berne Cooperative is currently retaining Ampride Truck Plaza in Denison, IA and several C stores as well as their Ida Grove, IA and Anthon, IA locations. Dan Dix is the General Manager at NEW Cooperative.

Boyd Brodie has been selected by the Board of Directors of Key Cooperative, Roland, IA to lead the cooperative as CEO. Boyd has been serving the company as Operations Manager as well as Interim General Manager following the retirement of Jim Magnuson. He has been with Key Cooperative since 1998 serving the roles of Agronomy Manager and Operations Manager. Boyd started his career at Farm Service Cooperative in Council Bluffs, IA where he served for 12 years as Agronomy Manager. He grew up on a grain and livestock farm northwest of Nevada, IA.

Doug Biswell is the new General Manager of Jackson Farmers, Inc., Holton, KS effective September 5. He succeeds Darla Lanter who retired July 31 after 16 years at the cooperative including the past 10 years serving as General Manager. Doug has spent most of his career working for farmer cooperatives and in the agriculture industry. Most recently he served as Grain Manager at Nemaha County Cooperative Association, Seneca, KS.
Ron Hunter, General Manager of Ag Valley Coop, Edison, NE retired on August 30, 2017. Ron had been the manager for Ag Valley since March of 1997. The Board of Directors has named Jeff Krejdl Interim Manager. Jeff has been the Controller with Ag Valley Coop since 1998.

Jeremy Wilhelm has been named CEO at Midwest Farmers Cooperative, Elmwood, NE effective September 5. Jeremy succeeds Dale Piper who has retired. He has extensive experience in agriculture and finance. Most recently he served as COO and Executive Vice President-Operations at Western Milling, LLC, Goshen, CA. He also served as Vice President-Commercial Lending for Farm Credit Services of America. Jeremy was raised on a family farm near Unadilla, NE.

The AGP Board approved the membership of Fordyce Farmers Non-Stock Cooperative in Fordyce, NE. Eric Dickes is the General Manager.

Ryan Webb has been promoted to General Manager at Aspinwall Cooperative Company, Aspinwall, IA effective September 1. He succeeds Jeff Nelson who has retired. Ryan has been with the cooperative for 10 years.

The members of Coop Country Farmers Elevator, Renville, MN voted to merge with Harvest Land Cooperative, Morgan, MN effective September 1, 2017. The name of the unified cooperative is Farmward Cooperative headquartered in Morgan, MN. Dave Stuk, is the CEO of the new cooperative.

Mike Trosen is the new General Manager at Meadowland Farmers Cooperative, Lamberton, MN. Mike previously served as CEO at Country Pride Cooperative, Winner, SD, since 2009.
AGP Hosts Kansas Soybeans

AGP hosted the Kansas Soybean Commission and Association Boards of Directors at its facility in St. Joseph, MO this summer.

“During its annual tour of important agribusinesses affecting Kansas soybean farmers, the Commissioners and Association Board members stopped by the AGP facility in St. Joseph for a briefing on activities at the location from Adam Piper and other key staff,” said Kenlon Johannes, Executive Director.

Nebraska Soybeans Tours Hastings

The Nebraska Soybean Board recently met at AGP’s facility in Hastings, NE. AGP Plant and Marketing Managers discussed activities and projects at the facility including the soybean expansion project completed last fall. Craig Pietig, Director of Exports, Omaha, NE was also on hand to discuss AGP’s export program from the Hastings plant to global customers via the Port of Grays Harbor in Aberdeen, WA.

IA Lt. Gov. Tours AGP Emmetsburg, IA

Iowa Lt. Governor Adam Gregg recently toured AGP’s soybean processing plant in Emmetsburg, IA. The Lt. Governor was impressed by the facilities and the value-added agricultural opportunities it creates for Iowa soybean producers.
AGP CEO Addresses SD Co-op’s Annual Meeting

AGP CEO Keith Spackler was among the featured speakers at the Annual Meeting of the South Dakota Association of Cooperatives (SDAC). The conference was held at the Watertown Event Center, Watertown, SD. Spackler gave an update on Company activities including the progress of AGP’s new soybean processing plant under construction at Aberdeen, SD. The facility is scheduled to be operational by the harvest of 2019. Numerous local member cooperatives in South Dakota and three regional member cooperatives participated in this year’s event.

AGP Testifies at RFS Hearings

Steve Nogel, Vice President Renewable Fuels, testified at the Environment Protection Agency’s (EPA) public hearings for the Renewable Fuel Standard (RFS) program held in Washington, DC. Nogel’s testimony called for expanded biodiesel mandates under the RFS. The EPA will use Nogel’s testimony, along with other presenters, in determining future biodiesel mandates under the RFS.

NGFA at AGP Omaha

Randy Gordon (left), President, National Grain and Feed Association (NGFA) recently visited with AGP employees at the corporate office in Omaha, NE. He is pictured with Gary Devlin, Senior Director Transportation. Devlin serves on the NGFA’s Rail Shipper/Receiver Committee. The group discussed international trade policy and transportation issues impacting the soybean industry.
Wishing you a safe harvest!