

AGP[®] NEWS

Serving Cooperatives and Agricultural Producers

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**AGP ANNOUNCES
MAJOR INVESTMENTS**

A MESSAGE FROM AGP'S CEO



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If you are in the commodities industry, you are quite aware of the rapidly changing environment taking place in U.S. soybean crushing. Production of renewable diesel is ramping up to meet California's Low Carbon Fuel Standard. The growth in renewable diesel is significantly increasing the demand for vegetable oils as a preferred feedstock to produce renewable fuels. This new-found demand for soybean oil has elevated crush margins and created a flurry of announcements of new processing facilities and expansions of existing facilities. In the fall of 2021, AGP announced an expansion of our Sergeant Bluff, IA facility which will come online in 2023.

In this edition, we'd like to talk about two additional projects recently approved by AGP's Board of Directors. The first is the construction of a new soybean processing plant in David City, NE. AGP's leadership took into consideration many factors in selecting David City as our next site -- railroad access, membership location, how it fits into our soy oil refining platform, and the role it will play in our export program. Having an export home for the soybean meal was a key factor in our decision as future U.S. meal production is expected to outpace future domestic meal demand.

With the anticipated need to export more soybean meal, in March, the AGP Board of Directors approved construction of a new export facility at the Port of Grays Harbor in Aberdeen, WA. A new high speed ship loader will be constructed at the Port's Terminal 4. The Board also approved upgrades to the current export facility located at Terminal 2, including the construction of additional storage. The new ship loader at Terminal 4 and the upgrades to the existing Terminal 2 facility will more than double our current export capabilities and provide needed redundancy. I want to thank the Board for supporting these projects that will provide additional marketing opportunities for AGP and return value to our member-owners. I would also like to thank the many AGP employees that put so much time and effort into developing these projects. I am confident both projects will be great successes given the talent and outstanding work ethic of AGP's team.

Also in this issue, I am happy to report another successful AGP Annual Meeting was held this past January in Omaha. AGP Board Chairman Lowell Wilson and members of the Company's management team spoke to the audience about strong returns and new opportunities on the horizon. We also welcomed two new Directors to AGP's Board at this year's meeting. Matt Ashton and Chris Boshart were elected to three-year terms to fill board seats opened by the retirement of General Managers Dean Isaacson and Dave Leiting. *AGP News* caught up with Matt and Chris to learn more about their experience and thoughts on their new positions. It is an insightful interview that I hope you enjoy. Congratulations Matt and Chris! We look forward to having you on AGP's Board. I would like to once again thank Dave Leiting and Dean Isaacson for their hard work, dedication, and support during their long and successful tenures on the AGP Board.

It is hard to believe the current fiscal year is over half-way finished. As always, thanks for your support, and best wishes for a safe and productive planting season.

Best Regards,

Chris Schaffer
Chief Executive Officer



On the cover: AGP members are excited with the announcement of two new projects on the horizon. Read about them on pages 4 and 5.

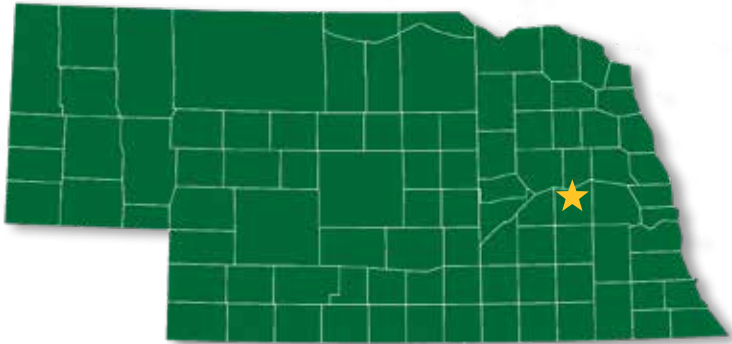
AGP to Build New Plant in David City

In late January, AGP announced its plan to build a new state-of-the-art soybean processing facility near David City, NE. The facility will have the capacity to process over 50 million bushels of soybeans per year.

AGP’s Chairman of the Board Lowell Wilson stated, “The soybean processing industry is experiencing tremendous growth and we believe a facility in East Central Nebraska is strategically located to serve our cooperative members and their farmer-owners. Maintaining a strong cooperative system is vital to agricultural producers and our rural communities.”

“We have carefully evaluated this opportunity and are confident this investment will generate solid returns for our membership and benefit producers throughout the region,” stated Chris Schaffer, AGP’s Chief Executive Officer. “Domestic and global demand for soybean meal and soybean oil continues to grow. The David City location in Butler County will also improve the Company’s ability to market soybean meal to the Pacific Rim through AGP’s export terminal in Aberdeen, WA. AGP is currently considering investments that will significantly increase our export capabilities to meet the expected growth in domestic protein supply.”

Chief Marketing Officer Mark Sandeen added, “The availability and quality of soybeans in the area and access to major rail lines make David City an excellent location for the plant. When completed, the David City facility will provide significant market opportunities for soybean growers in the region through AGP’s cooperative owners.



The project is expected to create over 60 well-paying jobs. AGP continues to invest in areas that enhance our integrated business platform and we are confident the David City facility will strengthen our market position and ability to compete well into the future.”

AGP expects operations to begin in 2025. Company officials noted that final construction decisions and timeline are contingent on negotiations with state and local officials regarding economic development incentives, required infrastructure improvements, utility services, and regulatory considerations.

“We are committed to working with local and state officials to develop and invest in sustainable projects to better serve our customers while also benefiting our members, their farmer-owners, and the surrounding communities,” said Schaffer.

Downtown David City, NE

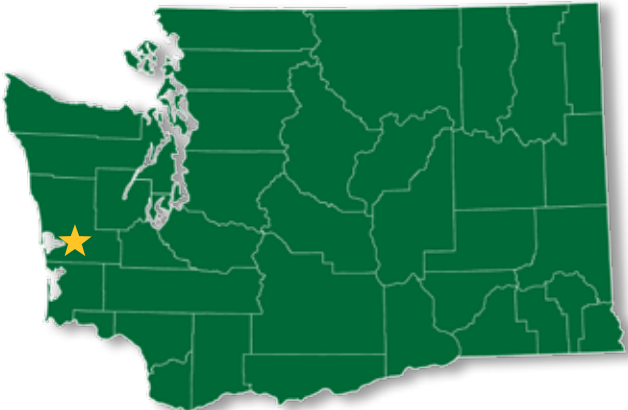


AGP Announces Expansion of Its Export Facility

In late March, AGP approved a major expansion and upgrade of its export facilities at the Port of Grays Harbor (POGH) in Aberdeen, WA. The plans include upgrades to its current facilities at Terminal 2, including the construction of additional storage, and the addition of a new state-of-the-art ship loader at POGH’s Terminal 4. Terminal 2 and Terminal 4 are both deep-water berths with quick access to the open ocean. The planned expansion will enable AGP to load multiple ships up to and including Panamax-sized vessels.

AGP’s Chairman of the Board Lowell Wilson stated, “AGP has developed a very strong relationship with the Port of Grays Harbor leadership team. We look forward to continuing and expanding our relationship as we move forward with this project. The project approved by the AGP Board will greatly increase railcar unloading speed, ship loading capacities, and add redundancy.”

AGP’s CEO Chris Schaffer added, “With the expansion in U.S. soybean crush capacity driven by the demand for renewable diesel feedstock, soybean meal production in the United States will outpace historical increases in domestic usage. AGP’s Western U.S. processing locations fit well to supply additional protein to the growing Southeast Asian and Asian markets. The U.S. currently provides less than 20% of overall Southeast Asian soy meal demand. Through the years, AGP has developed a very strong relationship with protein buyers in this region. This project will significantly improve speed, capacity, and product availability for the benefit of current and future international customers.”



AGP’s Export Terminal
Port of Grays Harbor
Aberdeen, WA

“Today, time is more valuable than ever,” stated Craig Pietig, AGP’s Vice President of Ag Products. “The upgrades and new ship loader will improve logistics for our plants, enhance production, and reduce vessel idle time. All of this will reduce costs for the end customer ensuring the Port of Grays Harbor remains a cost-effective port for soybean meal exports and other processed commodities. In the past, exports have been curtailed by U.S. soybean meal production capacities. Once the announced expansions in the domestic soybean crushing industry are in operation there will be additional soybean meal to better serve the growing international demand for protein. When this project is completed, our unloading capabilities will rival grain terminal speeds and the expanded facility will provide a needed marketing channel for the anticipated increase in supply.”

AGP expects operations to begin in 2025. Company officials noted that final construction decisions and timeline are contingent on negotiations with federal, state, local, and POGH officials regarding economic development incentives, lease terms, infrastructure improvements, and regulatory considerations.

“We are committed to working with the port and government officials to develop and complete this important project in order to better serve our customers and also provide benefits to our cooperative members, their farmer owners, and the surrounding community,” said Schaffer.

2021 ANNUAL MEETING WRAP-UP

Attendees of AGP’s 38th Annual Meeting were eager to reconvene face-to-face in Omaha, NE in late January, after COVID-19 forced last year’s event to a virtual format. Though fiscal 2021 had its share of challenges, the AGP team was proud to report it was the Company’s most successful year ever.

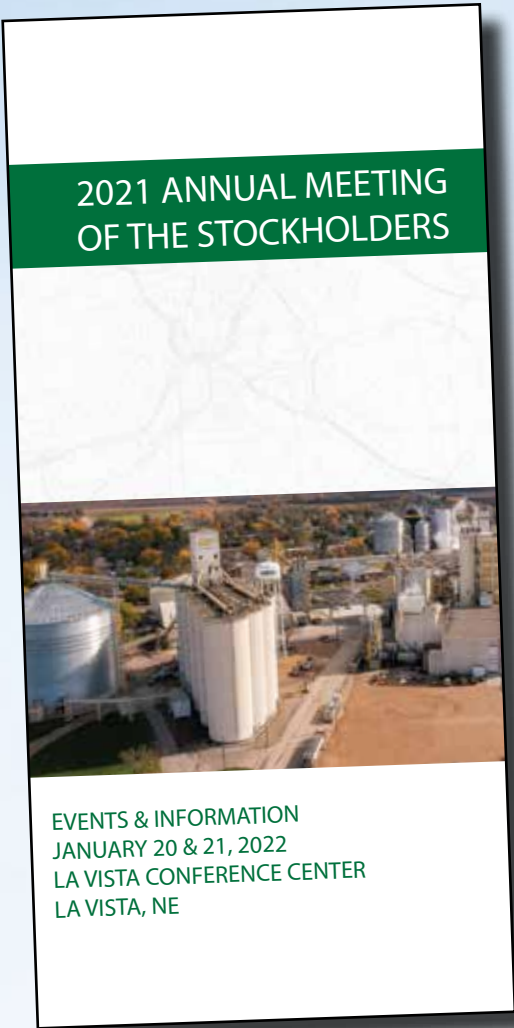
“I am pleased to share that AGP conducted more member business in fiscal 2021 than ever before and paid out the highest amount of patronage in its history,” said AGP Board Chairman Lowell Wilson. “The outlook is positive, and AGP is well-positioned to continue to prosper well into the future. I look forward to the years ahead with confidence.”

In his report to stockholders, CEO Chris Schaffer discussed how AGP’s commitment to member-owners and the Company’s overall business strategy sets the stage for continued success.

“Demand for soybean oil continued to grow with increased usage in the renewable diesel sector. Our industry ran at high capacity rates for most of the year to meet the demand for oil,” Schaffer said. “The demand for oil from both the food and fuel sectors led to unprecedented basis levels for soybean oil. With the product value of oil making up approximately 50% of the favorable crush margin, soymeal just needed to find a home. Our traders were able to do exactly that.”

With new projects at AGP’s Sergeant Bluff, IA facility and a new plant to be constructed near David City, NE, Schaffer said efficiency and making sound business decisions will be at the forefront of everything the Company does.

“The AGP team will work closer than ever with members to originate soybeans to feed our current plants or any future growth. This is the lifeblood of our business,” he said.



On the financial side, CFO Kyle Droescher told the audience that in spite of a challenging year in agriculture, the Company achieved strong financial returns which allowed members to share in that success through patronage payments and equity redemptions.

Additional management presentations included Mark Sandeen, Adam Piper, Craig Pietig, and Courtney Lawrenson. Each highlighted the successes of the past year and discussed future opportunities within their business units.

The meeting also included member-owners casting their ballots for candidates to serve on AGP’s Board of Directors. Lowell Wilson, producer from Primghar, IA, was re-elected to a new three-year term. Additionally, two candidates were elected to replace retiring members of the Board. Chris Boshart, General Manager of Gold-Eagle Cooperative in Goldfield, IA, takes over for Dave Leiting, while Matt Ashton, General Manager of New Vision Cooperative in Brewster, MN, succeeds Dean Isaacson. Dean Thernes was also appointed as AGP’s new Board Vice Chairman, the role previously held by Isaacson. Larry Oltjen was named as Secretary/ Treasurer which was previously held by Chuck Schafer.

Following the business meeting, keynote speaker Kevin Van Trump blended humor and agricultural insights to explain how embracing technology and adapting to change can lead to success in the agricultural space. The event was capped off by country music star Craig Morgan playing some of his hits.

AGP’s 2022 Annual Meeting will take place January 19th and 20th, 2023 at the La Vista Convention Center in La Vista, NE.



Board Chairman Lowell Wilson greets the attendees of AGP’s 38th Annual Meeting on January 21st.

Board of Director Elections



Lowell Wilson
Primghar, IA



Matt Ashton
Brewster, MN



Chris Boshart
Goldfield, IA



Q&A: MEET YOUR NEW DIRECTORS



Chris Boshart
Goldfield, IA

Matt Ashton
Brewster, MN

For the first time in almost 20 years, two new people have joined AGP’s Board of Directors at the same time. Matt Ashton and Chris Boshart may not be familiar to all of you, but they bring decades of experience in agriculture and the cooperative industry. The Directors spoke with AGP News about how their careers have prepared them for the new roles.



Q: Can you give our readers some background on yourselves and why you ran for a position on AGP’s Board of Directors?

A: Chris Boshart: I’ve been at Gold-Eagle Cooperative for three and a half years, the last two and a half as CEO. I grew up on a farm in Southeast Iowa and graduated from Iowa State. To be on the AGP Board was something I feel passionate about and I’m excited to have the opportunity to serve. I’ve been fortunate enough to work in the cooperative model for quite a while. The cooperative spirit of bringing value back to the farms is pretty unique. I definitely see the value that brings and I’m thankful to have the opportunity to participate.

Matt Ashton: Like Chris, I’ve been in the cooperative world a while too -- about 23 years. I certainly believe in the cooperative system and support it from a local and regional level. I see the value of AGP in what it brings to the membership. It’s a great organization and I want to continue to help with the future success of AGP to make sure we continue to bring value to AGP’s member-owners. What really drove me to run for AGP’s Board is that AGP is a winner and you want to be part of a winner. I also want to bring value to the members and bring value back to New Vision Cooperative. I think it was a combination of being part of a winning culture and getting experience that I can bring back to improve myself and improve New Vision.

Q: You’ve mentioned your experience in cooperatives, but what was your relationship with AGP before becoming part of the Board?

A: CB: Gold-Eagle is a good supplier of beans and buyer of bean meal with our feed business. Being a customer of AGP, you get a feel for how well a company is run. When I approached my board at Gold-Eagle about the opportunity to run for AGP’s Board, it was something they supported. They understand the significant impact AGP has on our ability to operate locally and invest in our cooperative with patronage refunds.

MA: I have had a long-term relationship with AGP and have done business with AGP’s grain and meal business for many years. As a customer of AGP, the value that New Vision gets by being a member-owner is immense and has a positive impact to our member-owners and to the local communities where AGP operates their locations. I am excited to be part of this and the positive impact to the membership.



Q: What type of new perspective do you think you can add to the Board?

A: MA: I think it’s important that we know and understand who our customers are because ultimately AGP’s success is tied to the success of the local cooperative. With my background in grain, I understand a lot from a trading standpoint and what AGP does on a day-to-day basis.

CB: I’d add to that, if there’s one thing I know about the cooperative model, it’s that it works. AGP’s model is built to be successful for the long-haul. I believe keeping that going into the next generation of producers, managers, and CEOs is critical. I think that’s the value I want to help bring since the model is already pretty solid.

Q: With anything new, it’s always helpful when you have someone beside you. How do you plan to lean on each other as you get acclimated to this new position?

A: MA: It’s definitely nice that I’m not the only new person. I think Chris and I will go through the same experiences together which will be great. I know we’ll learn a lot from each other too. We’ll be leaning on each other since we’ll have many of the same questions throughout the process.

CB: There’s a benefit of having two of us start together. We might have the same question, so they won’t have to re-explain it and slow down progress. It’s nice. Additionally, since we come from different areas with different challenges, it’s good to have someone like Matt to be able to talk about that.

Q: January’s announcement of the new plant to be built near David City, NE follows the news of expansion at the Sergeant Bluff, IA facility. What do these projects mean for the future continued success of AGP?

A: CB: I think the exciting thing for AGP is that there’s already a network of assets and a talented team to make these projects successful. The market is telling us there needs to be more crush capacity brought on to generate more soybean oil to meet growing demand. It’s exciting that the Company is able to be a leader in this expansion and provide value to the membership moving forward.

MA: I also think it means we’re continuing to invest for the future. Since we have the strong balance sheet that we do, we can make investments when it makes sense from a financial and from a long-term market standpoint.

Q: Finally, what are the goals you’ve set for yourselves this first year on the Board?

A: MA: I want to learn, dig in, and really understand everything. I want to ask the right questions and be a valuable Board member. I take this appointment very seriously. I want to be a valued Board member.

CB: I would agree with what Matt said. My main goal is just to learn and grasp as much of the operation as I can. I want to make sure there’s transparency to the membership on what the Board is doing and the direction of the Company. The benefit that Matt and I both have is we’re stepping into a Board with a lot of experience. Everyone has been very welcoming and open to teaching us right from the get-go.





AGP Leadership Appointments



Tony Stepanek
*Vice President of
Engineering
and Environmental*

Tony Stepanek has been promoted to Vice President of Engineering and Environmental. In this role, he will lead AGP’s project development, engineering, and construction. Stepanek has over 30 years of experience in engineering and project management, including almost 24 with AGP. Most recently, he served as AGP’s Senior Director of Engineering and Environmental.



Paul Wahlmeier
*Vice President of
Finance*

Paul Wahlmeier has been promoted to the position of Vice President of Finance. Wahlmeier joined AGP as Senior Director of Finance in March of 2021 from Gavilon (in Omaha) where he was previously Vice President of Strategy. Paul earned his bachelor’s degree in Business Administration from Hastings College, as well as an MBA from The Wharton School at the University of Pennsylvania.



Mike Maranell: In Memoriam

AGP is saddened to learn of the passing of Mike Maranell, retired Senior VP of Corporate and Member Relations. Mike worked at AGP for over 31 years before retiring in 2014. He is survived by his wife, three daughters, and 10 grandchildren.

“Mike will be remembered for his long record of outstanding service to AGP and its members,” said current AGP Vice President of Member Relations Matt Caswell. “Our member-owners could always count on Mike for deep perspective and thoughtful insights related to member issues or AGP business activities. He had a sharp mind with a strong commitment for promoting the cooperative business model. He will be missed.”

AGP Hosts FCS Visit to Omaha



In early March, AGP's management team met with representatives of Farmers Cooperative Society (FCS) as part of the cooperative's strategic retreat. FCS is located in Sioux Center, IA and has been a member of AGP since 1984. AGP's member cooperatives will often request to visit the Company's corporate offices in Omaha, NE to meet the AGP team, discuss market trends, and learn what is happening outside of the production facilities.

After a welcome and opening comments from AGP CEO Chris Schaffer, FCS attendees listened to presentations from various AGP business unit leaders. The group discussed opportunities in the soybean industry, movements in international markets, renewable diesel production, and more. The day ended with a tour of AGP's trading and merchandising operations.

"We enjoyed meeting with members of FCS," said AGP Chief Marketing Officer Mark Sandeen. "Visits like this are valuable for both the member-owners and AGP. They can ask questions and get a first-hand look at what we do at our headquarters. In turn, we are able to strengthen our relationship with them."

"We very much appreciate the time the team spent with us, the information shared, and the discussion," said John McDaniel, FCS General Manager. "I am grateful for the support AGP provides to our organization and hope that we can continue to progress our business relationship."



Chris Schaffer, CEO, provides FCS visitors with an overview of AGP's cooperative structure, operations, and 2022 priorities.

CPI Tours AGP's Hastings Plant

Employees of AGP's Hastings, NE plant hosted management and board members of Cooperative Producers, Inc. (CPI) in early spring. CPI is located near the Hastings facility and has been an AGP member since 1988.

Mark Sandeen, AGP Chief Marketing Officer, and Adam Piper, Vice President Soybean Processing, were on hand to give details on AGP's project announcements in David City, NE and the Port of Grays Harbor in Aberdeen, WA. Hastings Merchandising Manager Jodie Johnson gave the group a brief history of the Hastings facility and explained how CPI's soybeans contribute to the plant's overall processing goals.



Following the presentations, the group was given a walking tour across the facility's grounds. They were joined by Jason Moser, Hastings Soybean Processing Manager, and Gordon Allee, Hastings Refinery Manager, on the tour to answer any questions.



"Each year, the Hastings facility processes over 60 million bushels of soybeans and refines over 700 million pounds of soybean oil," said Johnson. "CPI is a major contributor to that. It is our pleasure to welcome members of their board and management team to the plant and show them what happens to the beans once they are delivered here."

"Getting to understand the process of soy crushing adds knowledge that we can share with our customers," said Gary Brandt, CEO of Cooperative Producers, Inc. "AGP and CPI have a shared geography, cooperative philosophy, and success that will certainly strengthen as we work together as cooperatives supporting cooperatives."



AGP Attends 2022 Commodity Classic

The 2022 Commodity Classic returned to an in-person event this year, and judging from the number of attendees, everyone was eager to get together again. Almost 8,000 people, many of them farmers, came to the convention and trade show which was held in New Orleans, LA on March 10-12. This year’s theme was “The Future Is In Your Hands.”

Presented annually by the American Soybean Association, the Commodity Classic is the nation’s premier agricultural showcase. This year visitors took part in a policy conference, saw numerous educational seminars, and listened to an array of guest speakers.

AGP was again among the selected exhibitors participating in the trade show portion of the event. Reggie Kock, Merchandising Manager at St. Joseph, MO, Matt Smith, Merchandising Manager at Aberdeen, SD, and Troy Moling, Corporate Communications Manager, were there to promote AGP for the many soybean farmers and industry partners in attendance.

“It is good to see so many familiar faces,” said Kock. “AGP has many friends here, and shows like the Commodity Classic allow us to interact with them and tell AGP’s story in a way we ordinarily are not able to do.”

Those who stopped by the AGP booth were eager to learn more about the Company’s recent announcement to build a new processing plant near David City, NE. Soybean basis, international issues driving the market, and biofuels were also hot topics of conversation.



Top: Reggie Kock, Merchandising Manager at St. Joseph, MO, and Matt Smith, Merchandising Manager at Aberdeen, SD, pose at the AGP booth. **Bottom right:** Kock and Smith visit with a farmer. **Bottom left:** The scene near AGP’s booth is full of activity, and AGP reps attend a reception hosted by members of the United States Soybean Export Council (USSEC).



Member News

- Farmward Cooperative in Morgan, MN named John Husk CEO/General Manager. John previously held the position of COO at Agtegra Cooperative in Aberdeen, SD for the past five years.
- First Cooperative Association announced that the company will begin operating under the name AgState. The name AgState was adopted after the merger between First Cooperative Association in Cherokee, IA and Alceco/Ag Partners in Albert City, IA. Troy Upah is CEO/General Manager.
- Farmers Win Cooperative in Fredericksburg, IA named Ron Cruise as General Manager. Ron previously held the position of Agronomy Manager.
- North Iowa Cooperative in Thornton, IA named Craig Backhaus General Manager succeeding Chuck Schafer who retired. Craig most recently held the position of Grain Manager at North Iowa Cooperative.
- Hayward Cooperative in Hayward, MN named Robert VanPelt General Manager.
- The AGP Board of Directors has approved the membership of Delphos Cooperative Association in Delphos, KS. Established in 1901, Delphos Cooperative is the oldest cooperative in Kansas.
- The members of Progressive Ag Cooperative in Wellington, KS and Mid-Kansas Cooperative (MKC) in Moundridge, KS have approved a unification of their cooperatives effective May 16, 2022. Brad Stedman is the President and CEO at MKC.
- Viafield in Charles City, IA named Derrick Davis as CEO/General Manager. Derrick has been the Interim CEO since August of 2021.

Spackler Honored at NCFC Annual Meeting



Keith Spackler and his wife, Deb, hold his NCFC achievement award.

The National Council of Farmer Cooperatives 93rd Annual Meeting in February honored a familiar face to AGP members. Former CEO Keith Spackler was awarded the Robert B. Engel Farmer Cooperative Manager of the Year Award.

“This award is not only meant to recognize individuals that oversee and manage their organizations effectively, but also those who provide impactful advocacy for the cooperative model,” said NCFC President and CEO Chuck Conner. “I feel that Keith has accomplished both.”

During his nine-year tenure as CEO and 40 years with AGP, Spackler oversaw many years of record earnings, patronage increases to AGP ownership, and the construction of a state-of-the-art soybean processing plant in Aberdeen, SD.

“Thank you to AGP leadership for nominating me, and to the Board for their faith in our management team during the past several years,” Spackler said. “Any recognition goes to the many people who have been a part of the success that is AGP. It has been an honor to be able to work with and for these people as part of AGP and its extended family. We appreciate being part of and supporting the cooperative system.”



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