

AGP[®] NEWS

Serving Cooperatives and Agricultural Producers
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FIELDS OF OPPORTUNITY

A MESSAGE FROM AGP’S CEO

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It is hard to believe we are already well into harvest. To me, September and October feel like they only have half the number of days as other months. AGP turned the calendar on our fiscal year on August 31st. FY2023 will go down as a very successful year led by a great safety record, company expansion, and strong profits. FY2024 is off to a solid start too. Demand for our products remains strong, and the soybean harvest is replenishing supplies.

In FY2024, we will begin to experience the effects of the increased domestic crush capacity. By next month, additional soybean crush will come online that will produce more incremental soybean meal per year than what AGP exports through Grays Harbor annually. Every additional ton of meal produced will have to find a new home. Finding new markets will place downward pressure on values as we attempt to take market share away from foreign crushers. Additional markets are out there, but generally come with less of a logistical advantage. Similarly, soybeans will have to be pulled away from export buyers or producers reluctant to sell. The additional bushels needed to supply the expanded crush will most likely come from originations further from our plant. These factors will add additional downward pressure on crush margins. As I have said before, oil demand, which relies heavily on government policies and programs, will have to remain strong for the economics of the crush expansion to work. The fact we are a year away from a presidential election only adds to the potential for market volatility.

This is where I get excited. It is times like these where AGP’s cooperative structure, culture, business relationships, and capital investment program will really shine. Even with the potential of uncertain times, AGP will be able to continue to compete and find ways to return value to its member owners.

In this newsletter you will find articles and pictures on just a few of our employees making a difference, as well as updates on where we are going. It is an exciting place to be.

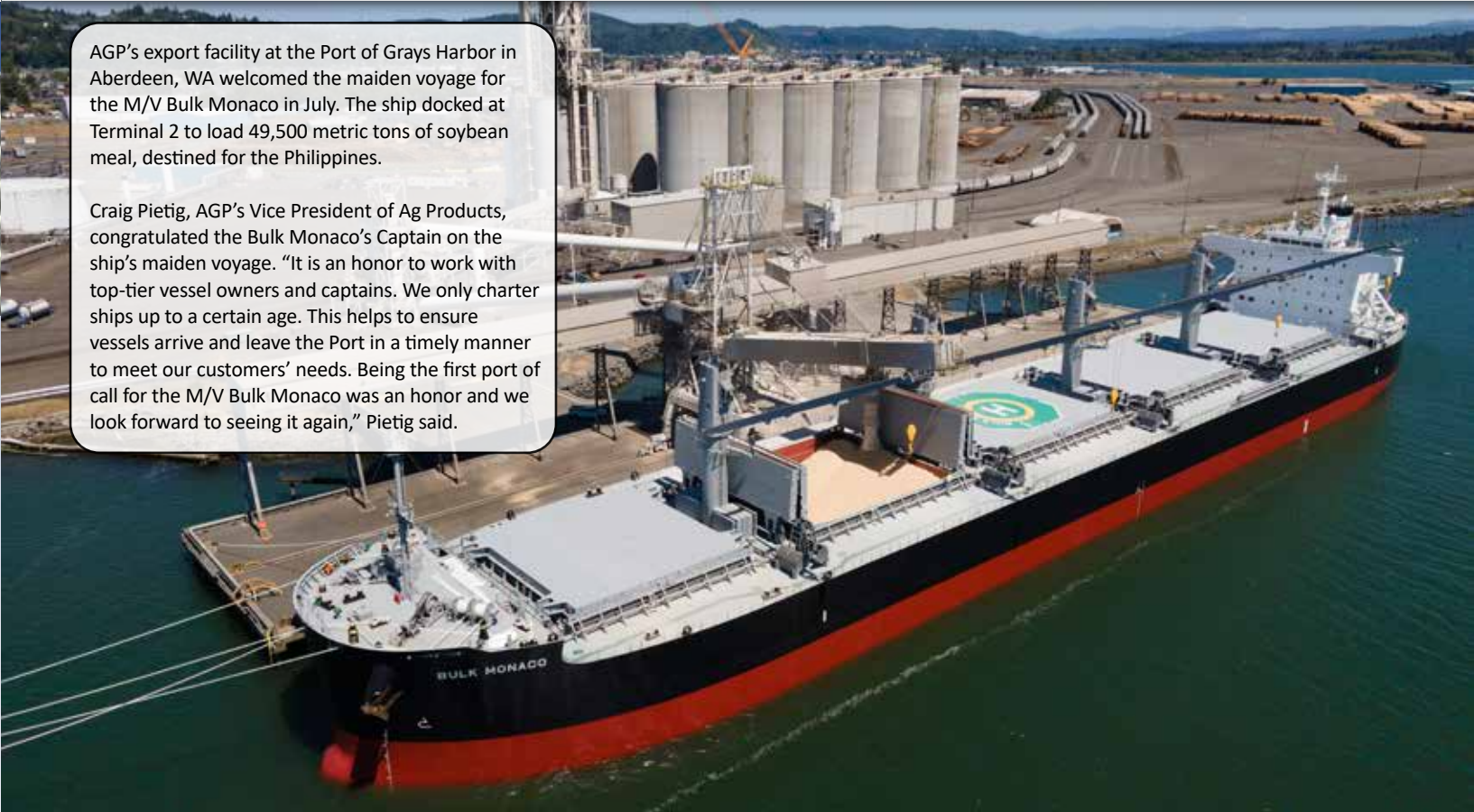
I’m not looking forward to autumn’s departure, but I also cannot wait see everyone in January at our Annual Meeting. Thanks, and I hope everyone has a safe and bountiful harvest.

Chris Schaffer
Chief Executive Officer

PORT NEWS

AGP’s export facility at the Port of Grays Harbor in Aberdeen, WA welcomed the maiden voyage for the M/V Bulk Monaco in July. The ship docked at Terminal 2 to load 49,500 metric tons of soybean meal, destined for the Philippines.

Craig Pietig, AGP’s Vice President of Ag Products, congratulated the Bulk Monaco’s Captain on the ship’s maiden voyage. “It is an honor to work with top-tier vessel owners and captains. We only charter ships up to a certain age. This helps to ensure vessels arrive and leave the Port in a timely manner to meet our customers’ needs. Being the first port of call for the M/V Bulk Monaco was an honor and we look forward to seeing it again,” Pietig said.



Work also continues on a major expansion and upgrade to AGP’s export facilities at the Port. Late this summer, construction began on four additional storage silos (pictured) at Terminal 2. The project will also include the addition of a new state-of-the-art ship loader at Terminal 4. Terminal 2 and Terminal 4 are both deep-water berths with quick access to the open ocean. The expansion will enable AGP to load two ships simultaneously, up to and including Panamax-sized vessels.

Crush Capacity Expands at Sergeant Bluff

AGP's project to expand crush capacity at the Sergeant Bluff, IA facility was completed in September. The expansion increases capacity and improves energy efficiency in preparing the soybeans for processing.

Pictured below, construction is wrapping up on the upgraded extraction area of the plant which houses the new DT (desolventizer-toaster) and DC (drying and cooling) systems. The expansion project increased Sergeant Bluff's soybean crush capacity by 20%.



one of four new soybean crackers



AGP employees TJ Markowsky and Don Perrault review drawings for the crush expansion project.



cracker feed drag machinery

AGP Board

Tours Eagle Grove & Algona Facilities

The AGP Board of Directors toured AGP’s operations at Algona and Eagle Grove, IA this fall. The Board generally holds a meeting at a plant site each year.



Above: The Algona location is AGP’s only stand-alone biodiesel plant. Left: Andrew Lesher, Eagle Grove Refinery Plant Superintendent, discusses where the refined soybean oil goes after leaving the facility. Bottom left: AGP’s Board and management team tours the inside of Eagle Grove’s soybean processing facility. Bottom: AGP Eagle Grove is a vital part of the community and local economy.



AGP’s Board of Directors participated in the tours and enjoyed gaining a better understanding of day-to-day operations in Algona and Eagle Grove. Pictured left to right: Chris Boshart, Jim Wagner, Rob Jacobs, Doug Schurr, Lowell Wilson, Matt Ashton, Dean Thernes, Larry Oltjen, and Bruce Granquist.



AGP understands and values the importance of sustainable agriculture. Allison Willis, AGP Director of Sustainability, talked with AGP News about opportunities within the industry and how the Company is empowering sustainable solutions in agriculture.



Allison Willis
AGP Director of Sustainability

Q: What is your background with AGP and how is that serving you in this new role?

A: Before stepping into my current position, I spent 16 years in AGP’s Environmental Compliance Department. During this time, a substantial portion of my responsibilities revolved around Clean Air Act regulations. This included not only the calculation and reporting of greenhouse gas emissions throughout the entire organization, but also allowed me to develop a comprehensive grasp of environmental policy. My previous position certainly helped me to gain a solid understanding of AGP-specific processes and related carbon emissions. AGP’s strong commitment to employee development and clear emphasis on internal promotion are things I am genuinely grateful for, and I look forward to developing custom sustainability initiatives that make sense and provide value to AGP.

Q: Why is sustainability important with regards to the soybean industry?

A: Sustainability has become a necessary consideration for the soybean industry due to a convergence of factors. Customer demands have shifted significantly due to their need to fulfill public sustainability commitments and consumers increasingly valuing products produced responsibly with low carbon footprints. Additionally, regulatory policies have become more focused on climate change mitigation. These factors are pushing the industry to adhere to stricter environmental, regulatory, and social standards.

Q: What are some top priorities for AGP in your role as Director of Sustainability?

A: AGP’s soybean farmers have undoubtedly laid a solid groundwork for sustainability and responsible land management. My intent is not just about following trends. It is about strategically identifying areas where enhancing these sustainable practices can lead to not only doing right in terms of climate change, but also lead to opening new markets and creating a competitive market advantage.



Q: What are some of the biggest challenges currently impacting sustainability?

A: One of the biggest challenges impacting sustainability is the ongoing development of policies and regulations. The world of sustainability is constantly evolving, and this can create confusion about the best path forward. With vastly varying guidelines at local, national, and international levels, industries are struggling to navigate a complex web of requirements and recommendations. That includes agriculture. These challenges also create opportunity. Industries that can quickly adapt to newly emerging climate policy and customer demands can definitely gain a competitive advantage.

Q: What are some sustainability practices that soybean producers can implement?

A: The topic of climate smart agriculture is getting a huge amount of attention lately. Practices such as conservation tillage, cover crops, and precision fertilizer placement hold a great deal of potential. It is especially relevant within the context of emerging government policy, carbon footprint reduction, and product value enhancement. By adopting regenerative practices that prioritize soil health, biodiversity, and efficient resource management, producers can increase the sequestration of carbon dioxide from the atmosphere into the soil. This leads to a decrease in the overall carbon intensity associated with agricultural products. As carbon emissions become a more critical concern for customers and governments, products with lower carbon footprints are likely to command higher value in the market and higher incentives from regulatory policies like the Inflation Reduction Act and Low Carbon Fuels programs.

Q: Any final thoughts on what you want readers to know about sustainability?

A: Sustainability is not just a buzzword, it is becoming a critical strategic initiative. It has the full attention of global governments, AGP customers, and the end consumers. Sustainability is increasingly demanded by other entities such as banks, investors, and even insurance companies. Expanding our sustainability efforts also opens doors to new opportunities. We are actively monitoring potential markets for low-carbon products and developing a strategy that takes advantage of recent climate policy, increases attractiveness to domestic and global customers, and adds value to our products. At its core, sustainability is about safeguarding value and ensuring the long-term success of AGP.



AGP Internship Program



Front row, pictured left to right: Caleb Ginting, University of Nebraska-Lincoln (UNL); Megan Hellman, Iowa State University (ISU); Olivia Owen, University of Missouri; Miah Hoppens, UNL; Bailey Kuhn, University of Wisconsin-River Falls; Moi Cortez, University of South Dakota; and Anthony Vail, Rose-Hulman Institute of Technology. Back row, pictured left to right: Jack Van Nieuwenhuyse, UNL; Jarrick Welterlen, University of Wisconsin-Platteville; Chandler Blackwell, Kansas State University; Tucker Engelmann, Midland University; Logan Nodine, ISU; Cameron Downey, University of Nebraska-Omaha; and Lucas Tesch, South Dakota State University.

Each year, college students are given the opportunity to work as summer interns at AGP. The internship program is very hands-on, allowing the students to gain valuable real-world experience they can use after graduation. Many former AGP interns have gone on to work full-time for the Company. In 2023, AGP welcomed 14 interns to serve in the areas of accounting, merchandising, operations, and engineering.

“Our interns are a valuable asset to the Company and are given opportunities that truly impact our business,” said Kim Brammer, AGP Director of Development and Recruitment.

Frontier Coop Holds Meeting at AGP

AGP recently hosted a group from Frontier Cooperative to discuss AGP’s upcoming soybean processing facility currently under construction in David City, NE. Frontier Cooperative is headquartered in Lincoln, NE and has been an AGP member since 1990. Mark Sandeen (pictured at right), AGP Chief Marketing Officer, presented updates on AGP’s operations and answered questions about the new plant.

“AGP building a soybean facility in David City, NE will be a big boost for Nebraska agriculture,” said Jon Brabec, Chief Marketing Officer for Frontier. “The new facility will create a significant increase in demand for soybeans. This will, in turn, benefit Nebraska soybean producers and help them continue their mission of feeding people from across the world.”



AGP Donates to Local Communities



AGP recently made donations to Algona, IA; Eagle Grove, IA; Emmetsburg, IA; Dawson, MN; and Aberdeen, SD totaling \$95,000. The donations will help to support medical facilities, kids’ programs, local parks, fire departments, and community centers.

“AGP has always given back to the communities we are in,” said CEO Chris Schaffer. “We appreciate our employees and understand the importance of supporting the communities they call home.”



Top photo: Employees from AGP in Eagle Grove, IA present a check to the Eagle Grove Fire Department. The money will be used for a new breathing air compressor. Left: Emma Schaunaman, Accounting Manager at AGP Aberdeen, poses with Doug Sombke, President of the South Dakota Farmers Union. Above: The Emmetsburg Community Center receives a donation that will go toward improvements there.

AGP expanding markets

In a meeting with Japanese customers, employees from AGP's Ag Products group discussed opportunities to increase exports.



JAPAN



SOUTH KOREA

As part of a visit to South Korea, AGP representatives visited Incheon Port, a destination for soybean meal shipped from AGP's Grays Harbor terminal.



EAST ASIA

A collection of international buyers from Indonesia, Malaysia, the Philippines, Thailand, and Vietnam toured AGP facilities in Hastings, NE. Afterwards, the group visited Greg Greving's farm near Chapman, NE. Greg serves on the United Soybean Board and is a former member of the Nebraska Soybean Board.

Alvaro Cordero (left), Senior Export Trader, visited Indonesia to attend the 2023 Ag Supply Chain Asia Conference. He also met with local customers, and toured the Port of Cigading in West Java, Indonesia.



INDONESIA

Latin American customers from Chile, Costa Rica, Ecuador, Guatemala, and Mexico visited AGP's corporate office in Omaha for a discussion on Company operations, services, and industry engagement. The team also toured the Port of Grays Harbor in Aberdeen, WA as part of their visit to the United States.



LATIN AMERICA

- The members of United Farmers Cooperative in Red Oak, IA approved a merger with NEW Cooperative, Inc., Fort Dodge, IA. The merger became effective on September 1, 2023. Dan Dix is the General Manager of NEW Cooperative.
- The AGP Board of Directors approved the membership of Cameron Cooperative Elevator Association headquartered in Cameron, MO. Their General Manager is Cody Sloan.
- Ken Smith has been named CEO/General Manager at Innovative Ag Services in Monticello, IA replacing Rick Vaughan who will be retiring in April 2024. Ken grew up on a farm in North Central Indiana and earned his degree in Agricultural Economics from Purdue University. Before coming to IAS, he was Risk Manager at Pine Lake Corn Processors in Steamboat Rock, IA.
- Members of Northern Country Cooperative in Stacyville, IA and Viafield in Charles City, IA approved a merger of the two companies effective February 1, 2024. Jason Schwenneker, current Northern Country CEO, will serve as the forthcoming cooperative's CEO. Derrick Davis, current Viafield CEO, will continue his leadership as COO.
- Full Circle Ag in Britton, SD named Travis Christensen as CEO. Travis began working at Full Circle Ag in 2022. He had been serving as interim CEO since June.

2023 Annual Meeting Update

By Rose Anderson
Director, Corporate Events & Member Communications



Hard to believe it is that time of year again and the Annual Meeting is almost upon us. We are anticipating a larger attendance this year as we celebrate our 40th Anniversary. The meeting agenda will be similar to prior years, and our entertainment on Friday night -- drum roll please -- will be country music star Scotty

McCreery. Looking forward to seeing you all in January. Happy Harvesting!



AGP Joins ISA for Summer Board Meeting

This summer, members of AGP management were in attendance for the Iowa Soybean Association's Board of Directors dinner at the Reiman Gardens in Ames, IA. AGP and ISA are strong partners in promoting initiatives that expand opportunities for soybean producers. Together with AGP leadership, ISA farmer directors and senior staff discussed the current state of the soybean production and crushing industries, as well as the possible future expansion of biofuels -- including biodiesel, renewable diesel, and sustainable aviation fuel. The discussion also focused on potential for U.S. soybeans and meal to meet growing worldwide demand.



Those in attendance for AGP included Courtney Lawrenson (pictured at right), Vice President of Oils & Energy; Nate Nolte, Senior Manager of Biofuels; Craig Pietig, Vice President of Ag Products; and Mark Sandeen, Chief Marketing Officer.

Advancing Clean Fuels



In September, Carmen Mogensen, AGP Director of Renewables, took part in the Clean Fuels Alliance Foundation's Clean Fuels Foundation Tour. The tour was held in Long Beach, CA and is designed to provide participants with a better understanding of the environmental and economic impacts of biodiesel and renewable diesel. As part of the tour, Clean Fuels Alliance America moderated a roundtable discussion where Mogensen served as a panelist. She discussed the importance of federal and state policies to biodiesel and renewable diesel producers. Participants learned how the industry has grown since the implementation of key federal policies and the impacts to businesses when the policies are uncertain.



Don Truhe, retired General Manager of Southeast Farmers Coop, was recently inducted into the South Dakota Association of Cooperatives' Hall of Fame. Don began his cooperative career in 1980 and retired from Southeast Farmers Coop, an AGP member, last year. AGP thanks Don for his support and service to the cooperative system over his long career. Pictured left to right: Mark Sandeen, AGP Chief Marketing Officer; Don Truhe, SDAC Hall of Fame inductee; Wayne Johnson, AGP Vice President of Transportation; and Matt Smith, AGP Regional Merchandising Manager.





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