

NEWSLETTER



JUNE 2021



Matt Severson
CEO

From the Manager's Desk

A couple of weeks ago we finished mailing out our annual cash patronage and equity redemption checks. As I have in past years, I had the pleasure of rewarding a few of our longtime producer members with their equity redemption checks. These are always special to hand out in person because they represent the eligible equity typically accumulated in one of the former cooperatives that became part of Premier over the years. In some cases, they are quite surprised to receive the old eligible equity, and some are even more surprised by the amounts.

When we changed our equity management program in 2002, it was our goal to drive down the age at which our members received the old equity they had to pay the tax on. At the time, we had many millions of dollars of this old equity belonging to members as old as ninety plus. Today, we've driven the age down to 63 years old or younger, depending upon when the member joined Premier. A few years ago, we hit a milestone when we retired all the old eligible equity of the members who were part of Premier when the new program started. With your continued support, over the next couple years we hope to redeem all the eligible equity issued under the old programs from each of the cooperatives that partnered with Premier more recently. As

we close in on accomplishing this goal, we have also increased the percentage of patronage returned in cash from less than 30% to about 70%, as well as implemented a new equity redemption program that could mean as much as 10% of your eligible equity redeemed on an annual basis. Thank you for your support which makes this possible and for being part of our cooperative family.

Throughout the month of June, we'll wrap up sending out most of our propane contracts and safety mailings for the coming heating season. With all the uncertainty in the global economy and energy markets, and with contract prices appearing to be up a little from last year, be sure to choose from one of the many contracting options we offer to lock in your supply and prices for the upcoming year. As Tim writes about each year, the peace of mind you'll have knowing you won't have unexpected price spikes next winter is well worth the few minutes it will take to complete and return a contract. If you do not purchase propane from us, or do not receive a contract by the end of June, please give our nearest energy office a call and our staff will take care of you. If you receive a packet in the mail, please be sure to open the safety information and share it with your entire family. Thank you for supporting our energy team and for helping your cooperative rank as a top 25 propane company in the United States.

The last two springs have been just about perfect for getting crops planted. While we were a little dry to start 2021, which did help to get the crop in the ground, recent rains over much of our service area has the crop off to a great start. For our agronomy teams, the focus now shifts to post-emerge applications with crop protection and crop nutrient products, field scouting, tissue testing, soil sampling and more to help maximize the yields on your farms. Utilizing soil and tissue test results in addition to in-season satellite imagery that can measure the biomass content of the field to determine the crop's vigor, our staff can help you stay ahead of possible nutrient deficiencies or insect pressure in your field. For an added layer of support, starting the first week of June, we'll also be seeing this year's new crop of college interns hitting the field and adding boots on the ground. We look forward each year to the additional support these students bring to our staff.

Have a wonderful Father's Day and June Dairy Month. For my house, in June my youngest daughter will mark the last of our three high school graduations. If you have a graduate in the house this year, congratulations. Of course, if you have a graduate that also means you likely have a stack of party invites from their classmates and other family members to help you fill the early summer weekends. Whatever your plans are to celebrate Father's Day or graduations,

I hope you have a great month that includes consuming as much dairy, meat, eggs and local vegetables as you can to support our hardworking farmers.



CROP PRODUCTION



Ken Jahnke
Agronomy Sales Manager

The “Big 5” this Month

As we progress thru the growing season, we are entering a period of time that making correct agronomic decisions can have a great impact on your ending yields this fall. Stress, as we know is often not a good thing. How to mitigate it for your crops is key. Looking ahead to the coming month there can be decisions to be made to help decrease stress. I am going to call it “The Big 5” for the month of June.

1. Scout Fields.

Get out and look at the burndown and pre-emergence application if you have not done so. With the dry weather we experienced after those applications, you could be looking at weed escapes due to the lack of rainfall activating the herbicides. As the fields are scouted, early post application could be required, or maybe it will be your first application of the year if tillage was done. Timing, correct product for weed spectrum, rates, weed height and proper surfactant choices are all key for good post emergence weed control.

2. Tissue Sample.

Just as soil testing gives you results of your soil, getting tissues samples as your crop is growing can be very valuable. Sampled plants will give you a “live” update on what your crop needs to help fight stress and maximize yields. This year, based on early

dry conditions, one nutrient that I can potentially foresee as having poor uptake is Potassium. I base that on years when it has been dry, and fields showed or required supplemental application, especially in medium to low fertility conditions. Tissue sampling will also be helpful to identify micronutrients that can be foliar applied and help offset stress and impact year end yields.

3. Stress Mitigation Tools.

This area comes to play in large part as ROI (Return on Investment). Many years the numbers are close to breakeven, but with today’s commodity prices, consideration of products to give you yield above the cost can pay back big returns come fall.

Fungicide applications are typically in every season’s discussion, but this year more than the past few it is worth the time to sit down with your Premier Agronomist and discuss the benefits. Applications made to soybeans prior to R3 and corn from V5 to tassel have proven to fight stress, disease and offer superior plant health.

Bio Stimulant Toggle applied with your foliar and fungicide applications have increased yields. We have seen this especially play out on soils in a year where moisture is a limiting factor

4. Side-Dress Nitrogen Application.

There has been a growing trend over the past few years and this year looks to be the same. Split applying your nitrogen application, and for some, pushing the yield envelope and adding more N. At the same time many growers have added micronutrients such as sulfur and boron to the mix, both bring added yield and returns. Based on a corn plant’s needs, a mid-season application of Nitrogen, Sulfur and Boron help get nutrients applied at the right time just ahead of when the corn crop will need them the most. Even though it can seem to be a big window for application, days and weeks seem to pass quickly. To help in our planning of application I encourage you to contact your Premier Agronomist today to review your total needs and get on a schedule for application.

5. Dairy Producers - Fertilize Alfalfa

Top production of your alfalfa acre can pay big dividends. Fertility needs of your alfalfa crop are high, and the impact of not replacing what you remove affects not only production, but quality and stand longevity. Factor in the outlook of low inventories going into winter and you should consider getting the most out the acre(s) you have. The chart to the right tells us one ton of alfalfa on a dry matter basis removes 80# of Potash. So, if your annual yield is five ton conservatively, you will need 400# per acre of Potash to replenish the soil for upcoming crops. Other key nutrients like Sulfur and Boron become important players in the ending yields year over year and stand longevity as well.

As weather throws us a few curve balls throughout the month of June, there is sure to be additional agronomic needs. As these needs arise, and to help you plan for the “Big 5 for June”, please reach out to your Premier Agronomist today and help set the table for a successful fall harvest.

Table 1. Pounds of nutrient removed per ton of alfalfa, dry matter basis.

Nutrient	alfalfa dry matter (lb/ton)
Phosphorus*	6
Potassium*	49
Calcium	30
Magnesium	6
Sulfur	6
Boron	0.08
Zinc	0.05
Manganese	0.12
Copper	0.01
Iron	0.33
Molybdenum	0.002

*Plants may remove higher amounts of these nutrients if soil test levels are in the high or excessively high range.

ANIMAL NUTRITION



Amber Yager
Animal Nutritionist

6 Factors Driving Financial Success on the Dairy

There is no question that the state of the dairy industry, as it has been since my time began at Premier in 2017, has been nothing short of a rollercoaster ride. While there are plenty of moving parts not in a consultant's or producer's control, there are still several ways to improve profitability on our dairies today.

Compeer Financial is a major provider of Agricultural lending and financial consulting services in the upper Midwest. A couple of years ago our team came across a presentation that a group of dairy consultants from Compeer Financial put together. Compeer's goal was to use data from their current clientele to identify specific measurements that are correlated with the financial health of the dairy. The data was collected from the farms represented in Table 1. NFI/cwt in Table 2 represents the net farm income/cwt energy corrected milk between the best third and lowest third in their study.

The first financial driver on Table 2 shows us that Energy Corrected Milk/Cow/Day was amongst the highest correlation for profitability on the dairy. The top third of the dairies came in at 92.7 pounds/cow, whereas the bottom third came in at 72.7 pounds/cow.

One way to get more milk per cow is to improve the pregnancy rate and reduce the days in milk across the herd, with the top third of herds coming in at a 27.4% pregnancy rate.

Heifer survival and overall management is essential, as raising replacements is one of the largest expenses on the dairy.

As Death Rate, Somatic Cell Count, and Net Herd Turnover Cost increased, profitability went down. Based on Compeer data, for every 100,000 increase in SCC, milk production decreases 5.5 pounds.

All in all, Compeer did a nice job of benchmarking these key financial drivers on the dairy. We can only manage what we measure. When was the last time your dairy took a hard look at each of these key areas? At Premier Cooperative, our nutrition team can offer an array of services. Whether it be benchmarking your calf and heifer program or analyzing herd records for performance and potential improvements, we would be glad to help in any way we can.

THE DATA

489	Farm-year records from clients in upper Midwest
90	Total variables - 54 numeric
93	Farm represented (not counting censored)
11	Calendar years
5.3	Year-end records per farm (avg.)
1087	Average lactating cows per farm (Range from 95-4700)

Table 1. Data Collected - Compeer Financial

BENCHMARKING THE FINANCIAL DRIVERS: WHERE WE MAKE AND LOSE MONEY

Financial Driver	R	Best Third	Worst Third	NFI/cwt
EC Milk/c/d	0.15	92.7 lbs	72.7	\$0.89
21d Preg Risk	0.14	27.4%	18.1%	\$0.54
Heifer Survival	0.16	97.5%	91.0%	\$0.82
AFC		22.9	24.8	
Death Rate	-0.09	4.3%	10%	\$0.56
SCC	-0.13	132	284	\$0.64
NHTC	-0.36	\$0.91/cwt	\$1.99/cwt	\$1.44

Table 2. Net Farm Income/cwt - Compeer Financial

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- Local production ag best practices
- The best promotional offers available
- News about your cooperative

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Sign up here: premiercooperative.com/subscribe

Careers at Premier

Premier currently has a variety of job openings at various location throughout Wisconsin. Find more information at premiercooperative.com/careers. If one of the openings seems like a good fit for you or someone you know, please do not hesitate to apply

June Dairy Month

Happy June Dairy month! This month we celebrate the farmers who are hardworking and passionate about providing wholesome dairy products for our local communities. Help celebrate June Dairy Month by supporting the dairy industry in any way you can!

FUELS & LUBES



Tim Lease
Energy Division Manger

Energy News

June is Dairy Month. It's also propane contracting month at Premier Cooperative. Anyone eligible for a propane contract should receive them by the third week in June. Considering gasoline prices are up \$1.50 per gallon over last year, I think you'll be pleasantly surprised at the propane price. It will be up over last year but it is still very reasonable in relation to gasoline. If you've used an average of over 400 gallons the last two years, you should receive a contract this month. Contracts will be due June 29th.

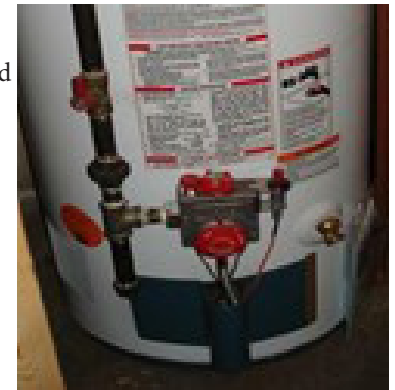
If you want options for your wheels other than gasoline, please consider propane. I have driven my Ford pickup 127,000 miles and saved over \$9,700 in fuel costs so far. New propane conversions cost about \$5,800 but there are \$4,500 in rebates available through the Wisconsin Propane Education and Research Council and CHS. We have propane autogas refuelers in Mt. Horeb, Dodgeville, Bloomington and Viroqua. The beauty of these conversions is that you can also run the engine on gasoline if you aren't able to fill up at a propane autogas dispenser. Call us to learn more.

There is still a bunch of money left in the water heater rebate program. If you install a new propane water heater you may be eligible for a \$200 rebate. It covers new construction as well as replacement water heaters. Snap a photo of the data plate on the old water heater before it's hauled away as you'll need the serial number and manufacturer for the rebate.

Let's spend a little time talking about safety. A sediment trap, sometimes called a drip leg, is used on gas piping to prevent sediment and debris from entering the gas valve on an appliance and causing it to malfunction. A malfunctioning gas valve can have serious consequences. A sediment trap can also extend the life of your appliance by keeping debris out of the gas valve.

In the photo you can see a gas shutoff valve (red handle upper left) to stop the flow of propane to the appliance. A gas shutoff valve is required at each appliance so gas can be shut off in case of an emergency or so an appliance can be repaired or replaced without shutting down the entire system. If you are missing either a gas shutoff valve or a sediment trap, call your plumber to have them installed. And then call us, which is required every time there is an interruption in service. We will do a leak test free of charge during normal business hours.

Have a fantastic June and thank you for your business.



Jory Bossuyt
Grain Merchandising

Grain Market Update

Between a quick and early planting season and the highly volatile market the past few months, now is a good time to take a step back and assess where you are sitting today. Many started selling at levels below today's markets, but remember that those were attractive sales at that time and should be viewed as sound financial decisions.

If you are sitting largely unsold on new crop, take a look at the included corn & soybean charts. They show continuous nearby futures from 2010 – present. This does not reflect the inverted prices from nearby to the new crop futures months, but still illustrates how strong our markets really are and how rare these selling opportunities are.

As a reminder, if you would like to talk markets or grain movement, please feel free to reach out to me. I am happy to work together on a grain marketing plan or provide spreadsheets that I have related to grain marketing. Contact Jory today at (608) 308-4889.

