

Skyland Grain

At your service.

LET US DELIVER CHEMICALS TO YOUR FARM

"I wish you delivered," is a comment Justin Ochs, Skyland Grain agronomy manager, hears from members after discussing chemical rates and mixes. "The good news is, we do," Justin says. One of the services Skyland offers is chemical delivery to the farm throughout our operating regions.

"Through on-farm chemical deliveries, we can keep farmers going in the field," Justin explains. "Providing services that help our growers is a focus of Skyland Grain's team. As our farmers continue to expand their acres, they need to increase efficiencies because finding help is difficult. They can be in the field spraying and we can deliver chemical to their shop. So when they get back home, all they have to do is load it on their trailer."

Saving time is exactly the reason Carson Lucas and his family ask Skyland Grain to deliver inputs to their family farm near Big Bow, Kansas.

"With on-farm delivery, there's never a pause in the action," says Carson, 33, who farms with his dad, Loren, and brother, Colby, 31. "We recently took on a whole bunch of ground and just can't afford down time. When Skyland delivers, they get it out to our farm quickly. Then it's ready to load when we need it."

A fourth-generation farmer, Carson says his family appreciates Skyland Grain's ability to anticipate their needs and provide them with applicable information. Carson frequently calls on Justin when he has an agronomic question. This winter, Carson, along with his dad and brother, attended the producer safety and marketing meetings Skyland Grain hosted. "What Tony Loehr and Matt Overturf had to say was so interesting. It looks like the future is pretty tough for grain prices, so it was nice to have insight on strategies and products we can take advantage of to help us navigate the upcoming markets."

CUSTOM APPLICATION TOO

In addition to on-farm delivery of agronomic inputs, Justin wants to remind growers that Skyland Grain's agronomy department also offers custom application of liquid and dry fertilizer as well as chemical application. Skyland Grain equipment is set up to do custom variable-rate application as well.

Continued on page 2

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Ask Us to Deliver!

- All agronomic inputs including: chemical, fertilizer, seed
- No-cost chemical delivery to your farm begins with a quick phone call to your local Skyland Grain facility today!

LET US DELIVER CHEMICALS TO YOUR FARM

Continued from page 1

To sign your acres up for custom application, contact your local Skyland Grain agronomy location or Justin at 620-492-6210.

MORE ABOUT CARSON

Growing up, Carson didn't see himself farming. "I wanted to do something else," he explains. So, after college, he taught English in Korea for a year and then set off for Kansas City with his brother, Colby, and worked in the fitness industry and on a factory floor.

"It took working at bad places to know that coming back to the farm was the right place for me to be," says Carson, who, today, cannot see himself anywhere else.



"I like the challenges of farming. There is no typical day. Farming is demanding both physically and creatively. It's a career that challenges you to be innovative because there are always 10 different ways to solve a problem," says Carson. Together with his wife, Lindsay, they are raising two young daughters, Lilly, 2, and Rosalie, 10 months, on the farm today. ◦

MAKE THE BEST DECISIONS FOR YOUR FARM BY UNDERSTANDING GLOBAL MARKET OUTLOOK

When you are successful, we're successful. Your Skyland Grain team understands this fact and diligently works to provide you with not only the best products and service—we also work to provide you with the information necessary to make decisions that will yield success on your operation.

Producer meetings are one way we do this. More than 200 of our growers turned out for producer marketing meetings that Skyland Grain hosted throughout our territory this winter.

Now, we understand that with a few simple clicks, you can view the markets on your smartphone or other digital devices. But it takes a lot more time and research to clearly understand what is driving those markets so you can make the best decision for your operation. Plus, the opportunity to better know and visit with our marketing team facilitates better communication when you have questions in the future.

Understanding the markets is a daily task for our management team. Producer marketing meetings give you a glimpse of global markets, what is driving those markets and recommendations on how you can apply this knowledge to input purchasing and developing marketing strategies for your crop.

PUT US TO WORK FOR YOU

Your Skyland Grain staff is here to serve you. Whether it's providing you with up-to-date marketing information, agronomic recommendations or delivering inputs to your farm, serving you is our focus. To help us do the best job serving you, let your Skyland Grain staff know your needs.

This last year has been one of expansion and transition for everyone as we've grown to serve the members of Cairo Cooperative. Our management team has enjoyed getting to know and understand the needs of new members and serving under the direction of an expanded board of directors.

Your management team and the board of 23 farmers who lead this organization want you to know that by combining the power of three strong cooperatives—Syracuse, Cairo and Johnson—and ADM, we are well positioned with assets and resources to serve you today and into the future. ◦



By David Cron
CEO
Skyland Grain LLC

"We work to provide you with the information necessary to make decisions that will yield success on your operation."

—David Cron, CEO of Skyland Grain



CONSTRUCTION UPDATE

Facility upgrades and improvements are underway across Skyland Grain territory. I am currently overseeing four construction sites and six crews. It's exciting to see how much we have accomplished since fall. Read on to learn more.

Cunningham, Kansas: The permanent 750,000-bushel grain bin is up and equipment, like the 20,000-bph leg, is currently being installed.

Construction of the eastern administrative office began in mid-February and should be complete by April 1.

Construction of the full-service agronomy center has just begun, and crews are currently hanging rafters.

Installation of fertilizer storage tanks (half million and one million gallons) is underway and progressing nicely. The first tank is complete. Crews began working on the second tank in mid-February.

Calista, Kansas: Construction of the 1.2-million-bushel bin is done and it, along with the 20,000-bph leg, is on target to be finished in time for wheat harvest.

Construction of the new office and scale will begin in mid-March.

South Cairo, Kansas: Crews are currently pouring concrete for the 540,000-bushel bin. Once this is complete, construction will begin. This bin, along with its 20,000-bph leg, is on target to be complete by wheat harvest.

Construction of the office and scale will begin around mid-March.

Rolla, Kansas: Dirt work for the 1.2-million-bushel bin has begun. Once that is complete, crews will begin pouring concrete for the floor. We are shooting to finish the project in time for wheat harvest, but it will be close. ◦



By Guy Martin
COO
Skyland Grain

OUR MISSION STATEMENT

CONNECTING OUR PRODUCERS TO THE WORLD.

WE BELIEVE:

- All our interactions will be conducted with integrity and responsiveness.
- The safety of our employees and communities is paramount.
- Environmental stewardship is our responsibility.
- Sustainable growth is essential to our future.
- The success of our producers contributes to our success.
- Our financial strength is crucial to our stakeholders.

MARKET UPDATE

The markets continue to struggle due to a high U.S. dollar, record world grain stocks and talk of record soybean and corn crops in South America.

The Chinese economy continues to have its share of problems, and the price of crude oil has dipped below \$30 per barrel. Ethanol plants are losing some money, and cattle feeding margins continue to be in the red as well.

U.S. wheat exports are the worst we have seen in 30 years, and until the dollar decides to drop, we will continue that way. World and U.S. weather continues to be a non-event in the growing season. A record fall crop in the Western Corn Belt has both milo and corn basis very defensive. On top of that, we probably have the best wheat conditions that we have seen in the past 20 years.

I hate to be negative on all crops, but it is pretty hard to find anything bullish about these markets today. However, there are a few things that could rally the market, including:

1. USDA says we have 7% less wheat acres than a year ago; and/or
2. Mother Nature

As I said before, the wheat looks pretty good right now, but if you want to pick fault, we are a little big for this time of year.

As I am writing, weather experts are talking about temperatures reaching the 80s by the end of the week. According to my calendar, it's the middle of February! So, can we have some freeze scares going forward?

It is possible to also talk of dryness in Russia having a negative impact on their

wheat crop. Then, if you believe the El Niño-La Niña weather talk of a wet spring and a dry summer in the Corn Belt, we could have all sorts of fireworks before we are done.

The bottom line: The market will give us some opportunities as we go forward. They just may be shorter periods of time than we have seen in past years.

This might be a good year to use options to back up some of your pricing decisions. If you have any questions, feel free to call me, Barry and Audrey at 620-492-6210. Contact Tony and Samantha at 620-318-6050. ◦



By Matt Overturf
Grain Division
Manager
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A LOOK FROM THE BOTTOM OF THE CRUDE MARKET

With the reduction of crude oil demand around the world—especially in China—world economics have brought us back to 2001-2003 retail fuel prices, just as they had pushed us to all-time highs a little over a year ago.

China isn't looking to rebound quickly, and with the world oversupply of crude oil, it looks like we may get to enjoy lower prices ... at least for this summer.

However, OPEC once again seems to be in the driver's seat on controlling oil prices. Russia and Saudi Arabia agreed on Feb. 9, 2016, to freeze output levels, but said the deal was contingent on other producers joining in—a major sticking point with Iran absent from the talks and determined to raise production.

The Saudi, Russian, Qatari and Venezuelan oil ministers announced the proposal after a previously undisclosed meeting in Doha.

It could become the first joint OPEC and non-OPEC deal in 15 years, aimed at tackling a growing oversupply of crude and helping prices recover from their lowest levels in more than a decade.

Saudi Oil Minister, Ali al-Naimi said freezing production at January levels—near record highs—was an adequate measure, and he hoped other producers would adopt the plan. Venezuelan Oil Minister Eulogio Del Pino said more talks would take place with Iran and Iraq in Tehran.

“The reason we agreed to a potential freeze of production is simple: it is the beginning of a process which we will assess in the next few months and decide

if we need other steps to stabilize and improve the market,” al-Naimi told reporters. “We don't want significant gyrations in prices, we don't want reduction in supply, we want to meet demand and we want a stable oil price. We have to take a step at a time.”

WHAT WE RECOMMEND

All this being said, OPEC member Iran, Saudi Arabia's regional archrival, has pledged to steeply increase output in the coming months as it looks to regain market share lost after years of international sanctions. The sanctions were lifted in January, following a deal with world powers over its nuclear program.

We seem to have found a bottom in the crude price and are currently starting to see summer retail prices creep higher.

At this time, we would still recommend you have at least a percentage of your summer and fall needs contracted. An agreement between all the OPEC members could pop the market \$15 to \$20 per barrel on crude oil, taking retail prices 30 to 50 cents higher in short order.

We feel currently there is a much greater chance of prices increasing for the coming season, than there is for them falling lower.

As always, John Schweizer, Cam Walker and I are available at 620-492-2126 for any of your fuel or lube needs. Thank you for your continued patronage. ◦



By Paul Sack
Southwest Kansas
Coop Services
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KEEP SAFETY ON YOUR MIND

In 2001, I became a victim of a farm accident and lost half of my foot when it got caught in an auger.



By John Steffen
Cairo Board
President

This experience changed the way I operate. Safety is on my mind all the time. I make sure shields are in place and pay attention to safety in everything that I do.

I am one of the lucky ones. I'm sure that as you read this article, you're reminded of friends, neighbors or community members who were not so lucky. I am reminded of a farmer near Cunningham who lost his life to an electrical accident.

“Safety first” is more than a slogan to the Skyland Grain board and management team. It is the way we do things. Our facilities and safety procedures go beyond what is required by OSHA—earning Skyland Grain SHARP certification (Safety and Health Achievement Recognition Program).

To help remind our members to keep safety on the mind, Skyland Grain hosted producer safety meetings this winter. During the meeting, a video told the story of a young farmer who survived an electrical farm accident. (His grain cart made contact with a highline wire along the edge of a field.)

When you hear firsthand from a survivor, it really drives the message home. Please take this message to heart and be safe this spring. ◦



THANKS FOR SHOWING UP!

Skyland Grain would like to thank the more than 200 growers who turned out for one or more of the nine producer marketing and safety meetings hosted at Skyland Grain locations this winter. During these meetings, division managers provided growers with cutting-edge information on fertilizer, grain and fuel markets. Safety information was provided by Pioneer Electric. ◦

AGRONOMIST WITH 40+ YEARS JOINS SKYLAND TEAM

When it comes to field issues, Wendell Isbell says there is always an answer. "It's not necessarily an easy answer—and it most often requires some testing to get a look at the whole picture in order to find solutions," says Wendell, who has worked in agronomy for more than four decades and joined the Skyland Grain agronomy team this February.

Wendell says his passion for crops runs deep. He grew up on a farm in Texas and then farmed for the first 20 years of his extensive career—which includes working for the USDA, as an agronomist for a chemical company and most recently as operations manager for Tri-Rotor Crop Services.



Wendell Isbell recently joined the Skyland Grain agronomy team. With more than 40 years of experience, Wendell believes hard work keeps you young and every agronomic challenge has a solution. When he isn't working, he enjoys fishing and his role as grandpa.

"I love being out in the fields with the crops and getting to know growers. As an agronomist, it's my job to earn growers' trust. When I meet with growers for the

first time, I always start by asking them to show me their problem fields first. I focus on fixing the problems first," he says. "And, because of my years of experience, I can often help save money in the process."

Wendell joined the Skyland team because he saw it as an opportunity to get back into the field and work one-on-one with growers to find solutions to their toughest agronomic issues. "In my previous job, I was stuck in the office 75% of the time—working on the management end of things." ◦



Success WORKING TOGETHER FOR SUCCESS

As the Syracuse Board President, I'd like to personally thank all our patrons for doing business with Skyland Grain. You are the reason Skyland Grain is here today.

Remember, this is our business. We built it together and we truly succeed together.

Your business ensures we will continue to maintain top-notch facilities, provide products and services you need and employ the best experienced team in the region.

If you only purchase some of your farm inputs from Skyland Grain, I encourage you to explore what we have to offer in the areas of agronomic inputs, energy and grain marketing.

Please take advantage of the knowledge and expertise our Skyland staff provides to help with crop input, grain marketing and energy purchasing decisions.

This cooperative is not only important to our individual farming operations, but Skyland Grain is also important to the future of our rural communities and the families who live here. Supporting numerous organizations within the community, as a member of Skyland Grain, you can be proud of the many ways we give back.

Spring is here. During this busy season, please prioritize safety in all that you do. •



**By Kent Eddy
Syracuse Cooperative
Board President
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IT'S ALL ABOUT SERVICE

Most often, when a bunch of farmers get together, the conversation naturally turns to farming. This was NOT the case during our annual strategic planning meeting—and we had 23 farmers sitting around the table.

A testament to the caliber of folks who serve you—we stayed focused on what needs to be done to best serve our growers' needs, today and into the future. All board members from Cairo, Johnson and Syracuse Cooperatives, along with Skyland Grain's management team and ADM representatives, participated in the two-day planning session.

Although we have monthly board meetings, I firmly believe this annual strategic planning meeting is the most important meeting of the year. It's a time when we all leave our daily work

and responsibilities behind for two days to focus on the future success of Skyland Grain and its patrons.

When it comes to strategic planning—it's all about service. The decisions we make are focused on providing our farmers with the information, products and services they need to most efficiently achieve success on their farms.

This was the first year that Cairo board members were part of the conversation. They are a welcome addition. I look forward to working with them as we guide the management team in implementing the projects outlined during this year's strategic planning meeting. ◦



By Steve Arnold
Johnson Cooperative
Board President

