

FALL 2024

DON'T LET HARVEST STRESS AFFECT YOUR HEALTH OR OURS



Sean Slowinski, CEO

Harvest season is here with all its stress, including long hours. That's true for Legacy Cooperative member/owners and staff alike.

While spring planting and fall harvest are our two busiest seasons, things don't seem to slow down much in between.

We just get through planting, and we are into spraying season. Then we have fungicide treatments, then preharvest, and boom, we are into harvest. Spring and fall fertilizer spreading and anhydrous ammonia season bookend it all. The cycle starts in April and offers little down time until the ground freezes.

We hope member/owners make time for family and friends throughout it all. We know how important it is for all of us on the service side, as well as for you on the service receiving side. It affects not only our mental health, but also our physical health.

It is why we post hours and why there are times when a member/owner may want or need a product or service and it isn't available. If a request is made late in the day for product delivery or pickup or for an application mid-afternoon on a Saturday during summer hours, it may mean waiting until Monday.

We are dedicated to your success, and our employees know there are times when they need to put in long hours to provide the services you need. If a train

comes in at 10 p.m. on a Saturday night, they will be there all night, whether to unload fertilizer or fill it with grain.

However, we hope you recognize and respect that like you, we all need our downtime. When we tell employees they are off at 6 p.m., they make plans with family and friends. We have to respect that. Frankly, in today's labor market, we have no choice. We all need to manage our expectations of those we work with, whether on the farm or at the elevator, agronomy center or C-store.

Expectations come in all shapes and sizes. It can be difficult to deal with changes in what we expect. We recently changed our approach for producer financing. To protect this business that you own, we have to turn unsecured debt into secured debt. We can underwrite it through a bank or other credit provider. Those institutions charge anywhere from \$250 - \$1000 per application to originate the financing. Legacy Cooperative chooses to do it inhouse at no cost, with a lien and a \$40 lien filing fee. It's a simple application process and one where we try to keep the costs minimal. We hope you truly see value in this program for your operation.

No one likes a lien. Doing so is no

reflection on credit worthiness or ability to pay. It puts the cooperative in first position after agricultural processor liens, aka threshers liens or harvesters liens. It is simply risk management on behalf of your fellow Legacy Cooperative member/owners. Should something catastrophic happen to you or your family, it protects the investment you and they have made in the cooperative.

Speaking of risk management and change, work on the new agronomy center at Egeland is in high gear. With 15+ inches of rain in May and June, the project got a little behind. We are still on track to be operational in early 2025, possibly in February, March at the latest. It is unbelievable how the site changes on nearly a daily basis. Once completed, it will be a big change for Legacy Cooperative and you, its member/owners.



The new Legacy Cooperative agronomy center at Egeland is rapidly taking shape and is on track to be operational in early 2025.

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The new facility will give us a lot more in-season storage of the products you need. It should eliminate concerns over late season fertilizer train delays, as happened in 2023. With its two 18-ton blender systems, load-out will be as fast and efficient as at Rolla and Bisbee.

We hope the new fertilizer plant will take pressure off Cando and Rock Lake facilities. We are committed to continue supplying them and will be able to do so out of Egeland and/or Bisbee. It will also supply products to the Wales fertilizer plant.

The rapid load-out at the new Egeland plant is expected to be an attractive alternative to older facilities. A member/owner might have to drive an extra 10 miles, but the reward will be loading out in a minute or two versus waiting 45 minutes to blend a load. Time saved will more than make up for

time on the road.

Even with the new plant, we will still be depending on member/owners to pick up fertilizer they plan to spread. We simply do not have enough staff and equipment to make deliveries to the farm, as well as keep our spreaders supplied.

Hats off to our staff at Egeland. They are currently working out of an oversize garage. The new facility will be a huge change for them as well.

As you may know, the new C-store at Rolla is finally up and running and doing very well. While we had planned a grand opening in July, we decided to delay that until harvest is wrapping up, hopefully in October.

Meanwhile, the staff, including Stacy Vallie, a long-time employee and now manager, have been getting comfortable with the new equipment and products

being offered. We will get the word out on the big event once a date has been selected. Don't miss the prizes and giveaways.

Rolla was also in the news when a fire broke out at North Central Tire. What added to the misfortune was that additional equipment had only recently been moved there from the old C-store and tire shop. We were able to find a building located at 606 Main Ave. We moved into, and we're open for business.

Whether it is changing tires, upgrading older facilities or building new ones, providing you with quality and competitive products and services is what we do.

VIEW FROM THE BOARD



Bruce Lewallen

Since word got out about the new fertilizer plant at Egeland, I get two questions from Legacy Cooperative member/owners.

"When will the new fertilizer plant at Egeland be ready?" and "How much will it cost?" No one asks why we are building it. Member/owners recognize that this project, like others before it, is because our cooperative is committed to serving them now and into the future and willing to spend money to do so.

As member/owners, we all know that come next spring, when we need fertilizer, it will be there. It won't run out.

The same commitment is here for harvest. The grain crew does an excellent job, and other staff help as needed. Come

spring, the grain staff gives agronomy a hand.

It's not unlike our farm. I have two sons-in-law working with me. We all know what needs to be done, and we do it. The same is true for Legacy Cooperative facilities. The employees know what needs to be done, and they do it. For a lot of them, that means multi-tasking, and they do it well.

Getting the work done isn't easy. It takes a lot of coordination and good leaders. Our leadership is doing an excellent job, and like on our farm, it isn't a one-man shop. When our CEO Sean is away on cooperative business, the other leaders step in. That's worth a lot.

Everyone understands that staffing is a struggle. Our leadership bends over backwards to keep our employees satisfied and committed. That means offering good wages and benefits and

more. If there are school or family events, they work with the employee to make sure they can attend. Our leaders recognize you have to work with the employees.

It was different with my dad's generation and with mine. Work came first, and you got it done. When my dad was ready to retire, he said, "Maybe we should have taken more time."

I am now realizing there is life outside of work. Younger generations seem to understand that. They see how important it is to take time and get away with their families.

Our co-op's leaders also see that and respect it. At the same time, they and the employees know that busy times like planting and harvest are their bread and butter. They are ready to put in the long hours and service our needs.

LEGACY COOPERATIVE AGRONOMY IS FOCUSED ON YOUR FUTURE

The future needs of Legacy Cooperative member/owners drive change at the co-op. Perhaps nowhere is this more evident than in the agronomy division.

"We are planning for the future today," says Joe Kremer, Legacy Cooperative Agronomy Manager. "We aren't waiting to react after the fact, when it is too late."

The new fertilizer plant and agronomy center at Egeland is just one example of this focus on the future philosophy. It reflects two vital needs of Legacy Cooperative member/owners, supply and speed.

"With the added storage, we won't have to worry about resupply trains arriving three or four weeks after they were expected," says Kremer. "If our member/owners communicate their needs as they did this past spring, we will have the capacity to ensure those needs are met."

Kremer is confident member/owner support will continue. "We are competitive, and we strive to provide the best service," he says. "If it wasn't for the support shown in the past, we wouldn't be building a new facility."

The need for speed is one that Kremer recognizes for the sake of member/owners picking up product. It is also important for keeping co-op floaters supplied and spreading. As with previous large expansions at Bisbee and Rolla, the new plant, with its high-speed blenders and high-capacity tower, will keep fertilizer flowing and trucks on the go.

"We know our member/owners find true value in speed, and we are building



More and more Legacy Cooperative member/owners are switching to urea from anhydrous ammonia. However, for those who prefer anhydrous, Legacy Cooperative has the equipment and a good supply of anhydrous lined up for the fall season.

for them," says Kremer. "We are also planning for expected changes in product preference. As more switch to urea from anhydrous, we will be geared up for it."

More efficient facilities also help with the co-op's number one challenge... manpower. "We are always actively looking for new hires," says Kremer. "With the new facility, we will have more to take care of and will be moving people around with promotions from within. What won't change is how we service our member/owners."

While finding additional staffing is important, keeping current staff is even more vital. Kremer suggests that member/owners can play a major role in that effort.

"In order to do what we do, we can't lose the staff we have," he says. "We have had severe burnout in our ranks this year, worse than in the past. The mental health of our employees is not as good as it used to be."

He notes that for agronomy staff, the season can seem to never end. Two

months of spreading fertilizer in the spring is followed by two months of spraying crops and then helping grain staff at harvest and fall fertilizer application.

It all takes a toll on employees and their families. Kremer identifies several ways that member/owners can help. "Please be cognizant of the time before you call with questions or requests. If it's after hours or on a weekend, can it wait until the next business day? Show appreciation and don't be tough on them. Remember, our employees need time to live life with their families too."

One way that member/owners can help management, staff and themselves, notes Kremer, is through clear communication. That includes communicating input needs as they did this past spring.

"It was one of our better years as far as fertilizer and sales went," says Kremer. "This fall we are well stocked up, but people aren't communicating their needs. We have a good supply of dry and an ample supply of anhydrous contracted. Everything is in position, but fall sales aren't where they normally are."

Kremer points out that fertilizer prices didn't drop in July as they often do. At this point, he doesn't think it is likely to happen until winter. "By then, it will be too late to do any good," he says. "Communicate your needs sooner rather than later. It will be a big help."

LEGACY COOPERATIVE GRAIN IS ON THE MOVE

It is the busiest time of the year for the Legacy Cooperative grain division. Wheat harvest started about a week earlier than normal, and the co-op was ready, says Brooks Larson, Legacy Cooperative Grain Manager.

"We shipped a lot of wheat out this summer, with two trains in July and four in August," he says. "We saw the crop that was coming and made a lot of sales ahead of time to make space available for our growers."

Sales continued with six spring wheat trains sold for September. "The price may not be ideal, but when there is a big wheat crop coming, we have to move some of it to keep space in the elevators and serve our customers."

Larson notes that train traffic won't slow down anytime soon. Four soybean trains and one wheat train are already in place for October.

Like so many other things, shipping by rail has also shot up in price this past year. Tariff rates, especially for wheat, increased by \$300 per car on August first. Then things went from bad to worse.

"BNSF cut the number of shuttles available to buy at auction by 15," says Larson. "They went from running 155 shuttles last year to only 140 this year. As a result, we had to pay an extra \$350 per car at auction, raising our total wheat freight costs by \$650 per car (\$0.18 per bushel) for this crop year." Other railroads such as the CP run on an allocation system rather than an auction system, and therefore those served by that railroad didn't have the extra costs that BNSF shuttle loaders encountered.

Those added costs are a big reason our spring wheat basis is wider than some of

our competitors, explains Larson. We are hoping and pushing for a more favorable freight rate from the railroad to keep our bids more competitive in the future.

The weather has added to harvest costs as high humidity and moisture in the grain have given the co-op's dryers a workout. Early on, keeping up with drying was a struggle. Grain staff have been putting in a ton of overtime hours, and often working through the night drying grain to keep space for our customers. Hats off to those guys for their hard work this fall.

Dealing with low prices heading into harvest has been a struggle as well. The price of wheat coming in off the combine is more than \$2 less than a year ago.

"We expect a lot of member/owners to store as much as they can on farm, but with yields of 75 to 90 bushels being reported, some will have to come to

to buy some from the US. While more sales to China will help, Larson points out that ending soybean stocks are at their highest level since the 2019/2020 crop year. Ending stocks on corn are also high.

"We have a lot of grain to chew through in the U.S.," says Larson. "Unfortunately, we are no longer China's first choice for soybean purchases. They seem to call Brazil first. However, the recent rally did bounce us off the lows, and it may be a good opportunity for growers to get some new crop soybean sales on ahead of harvest."

With current US soybean prices trading cheaper than Brazil's, sales to China are expected to continue. However, not in the quantity or for as long as in the past. "Soybean traders are seeing far less soybeans sold to China than in previous years," says Larson. South America continues to put more farmland into production every year, and as a result, they are satisfying more and more of China's soybean demand.

Exports of wheat and corn have picked up as prices have fallen, adds Larson. "World wheat stocks are pretty slim historically," he says. "Ukraine is still not producing as much, and the dry spell in Russia hurt their production. There may be more opportunity this year for the US to pick up some extra wheat export business."

Low expectations for higher prices this year have member/owners already looking ahead to next year, notes Larson. "There is a good carry in all of these markets," he says. "Pick up as much of the carry as you can. With the forecasted carryout's we have in corn, soybeans and wheat, it's not a bad idea to get sales on for some of what you put in the bin or even some sales on for next year's crop."



Like many farm inputs, the cost of shipping by rail has increased dramatically this past year..

town," says Larson. "Unfortunately, prices of inputs haven't come down much with the price of grain." Delayed price contracts are popular as farmers hope for higher prices after harvest.

Soybeans saw a tick upwards in early September when China finally showed up

HARVEST RUSH IS ON

The harvest rush is on. Legacy Cooperative elevator crews are taking in grain, and drivers and trucks are busy moving grain to the Bisbee Terminal. Crews at the terminal are busy taking grain in, drying grain with excess moisture and filling trains.

"September is a busy month," says David Berginski, Legacy Cooperative Operations Manager. "We can take in between 350 and 550 truckloads a day in the midst of harvest company wide, both ours and those of our member/owners. Our employees keep everything lined up, dump the loads and keep the trucks moving."

The addition of new rolling stock this past year has been a big help, as has the increased number of CDL holders. "We are pretty well staffed with drivers, and having dependable equipment keeps them on the road."

Harvest is a balancing act. "We try to keep our trucks on the road, pulling grain out of satellites on a daily basis," he says. "We try to keep space at all locations to the best of our ability. There are times when we just can't keep up."

Maintaining the flow without piling wheat on the ground would not be possible without enough trains. Each train takes out about 425 truckloads, less than two days of incoming at peak.

"Last year at the peak of spring wheat harvest, we took in 507,000 bushels company-wide in one day and shipped out about 420,000," says Berginski.

Berginski expects the concrete pad at Bisbee to be put to use yet this season. "With the late season rain, we are expecting a bumper soybean crop," he says. "We definitely expect to have soybeans on the ground."

Past and recent upgrades to satellite locations continue to make a difference for Legacy Cooperative and its member/owners. "We are just about finished up with the overhead bins at Cando," he says. "The upgrades should really speed up load-out and not block the grain dump for inbound trucks.

Maximizing efficient use of manpower and equipment is a never-ending goal. Sometimes it is a matter of simply upgrading the facility. Sometimes an upgrade isn't enough. That is the case at Rock Lake, according to Berginski.

"The old crib house and original elevator structure need to be looked at and evaluated," he says. "Several of the bins are worn out inside the old house. This is tied into the eight-pack steel storage, which was built around the 1960s, and needs to be cleaned out with grain vacs. We are looking at what is needed to replace it sometime in the future."

Facilities and equipment aren't the only changes. Staff turnover is a natural occurrence for a variety of reasons. In the case of long-time Cando employee Sam Wagner, it is love and marriage.

Wagner will be getting married in September. His fiancé recently put her new pediatric pharmacy degree to work at Sanford Health in Fargo. Wagner will be joining her there, however, not without regrets.



Sam Wagner is leaving Legacy Cooperative, but not without regrets.

"I joined Cando Grain and Oil in 2017, and it has been a fantastic experience, starting in agronomy and then moving to the Cando elevator and finally managing

the Egeland elevator," says Wagner. "With the Legacy merger, there were some initial growing pains, but it quickly became a focused company, working together. We grew and expanded while trying our best to maintain the member/owner first view."

Wagner appreciated the ability of locations to share equipment when breakdowns inevitably occurred. He also liked being able to reach out to other locations if something wasn't working right. "I am sad to go, but we are excited to get married and build a life together," he says.



Eddie Lauck is the new manager of the Egeland elevator.

Eddie Lauck is moving into Wagner's elevator manager role. Lauck joined Legacy Cooperative after spending 20 years on the road doing construction. Initially on the

service station staff at Rolette, he volunteered to help with the 2022 harvest at the elevator there. That led to a dual role with agronomy as an applicator and now elevator manager at Egeland. He is sold on Legacy Cooperative.

"People make the company, and the people here are willing to go above and beyond," says Lauck. "If you are willing to work, there are lots of opportunities for advancement, and the benefits are reason to stay. Legacy Cooperative offers a solid career and a place you can call home. I've worked for a lot of people in a lot of places and never anyone this good!"

DON'T GO HUNGRY OR RUN OUT OF FUEL THIS HARVEST

Don't add hunger or an empty fuel tank to your harvest-time stress list. Legacy Cooperative C-stores have fresh, hot food ready to go. From the recently opened store at Rolla to Dunseith and Cando, store staff will keep you fed. At the same time, fill up with quality Cenex gas and fuel to keep you moving during this busy time of year.

"We've gotten great feedback on Coopers Chicken at the new Rolla store," says John Lovcik. "It has earned lots of compliments, as has the store. The building design has been very well received."

Opening the new store has had its challenges, admits Lovcik. The store is a new concept, different from the old Rolla store. Operations involve more staff, including new people.

"We had some turnover, and Stacy Vallie was promoted to manager," says Lovcik. "She is doing a great job. We appreciate member/owner patience as we have smoothed out a few rough spots. We keep improving on everything and are looking forward to our grand opening in October with door prizes, taste testing and specials."

An unexpected rough spot in Rolla involved a fire at North Central Tire. Unfortunately, wheel alignment equipment, farm service truck, and the tire shop were



The new store at Rolla is open, and the staff is ready to meet your needs.

damaged. Luckily, it didn't happen during the tire sale in August.

"We had a great response from our member/owners, and there are only a few from the Rolla area who didn't get their new tires mounted," says Lovcik. "As in the past, we served hot dogs for lunch, a day at Rock Lake, Bisbee, Rolette, Dunseith and Rolla, in conjunction with the tire sale. While the weather didn't cooperate for some of the hot dog cookouts, tire sales were a success."

Since the fire at the Rolla tire shop, the old Electrical Connection building at 606 Main Ave. West next to Munro's hardware store in Rolla has been purchased. Tire repairs and oil changes are being done in the new location. A service truck has been purchased and on-farm service and roadside service are available again.

"We will be moving our oil, bolts, welding gasses and hydraulic fittings to the new tire shop location," says Lovcik. "If you're in need of these items now, stop by the new location and someone can get you what you need. We apologize for the inconvenience and appreciate your patience during this transition."

August was a good time to fill up on diesel pre-harvest. From July through late August, diesel dropped about 30¢, notes Lovcik. "That provided buying opportunities, and quite a few took advantage of it," he says. "Of course, we can do fuel and propane contracts anytime, locking in a price for a future delivery."

While supplies look good as harvest begins, that could change if heavy demand develops. Lovcik recommends keeping tanks full as simply good risk management. That can be accomplished visually or automatically with a tank monitor installed by Legacy Cooperative.

"With a tank monitor, you can check fuel levels on your phone and give us a call for a fill" says Lovcik. "If you sign up for autofill, it is even easier. An alert goes out to us and the member/owner, and we fill it automatically."

With or without a tank monitor, member/owners can opt to receive a daily text with fuel prices. "If you want to receive the texts, just call Alexis at the agronomy center in Rolla," says Lovcik. "She can be reached at 701-477-6430."

Another great buying opportunity wrapped up mid-September with the end of the summer fill program on propane. "We had great support from member/owners," says Lovcik. "Price dropped about 20¢ for the summer fill. It had been at \$1.39 most of the winter. I expect that price to move back up as the winter differential kicks in."

Propane supply looks good for the start of the crop drying season, according to Lovcik. "Once the drying season gets going in the Midwest, we can expect some strain on supply," he says. How much will depend on how wet the corn comes off down south.



Check out the Coopers Chicken and fixings at the new Rolla Store.

HARVEST YIELDS OFFER TRUE TEST OF NEW HYBRIDS

Like member/owners, Trevor Darling, Legacy Cooperative Seed Manager, is waiting for combine-truthing of variety and hybrid expectations.

"Differences between varieties has been visible to the eye," says Darling. "Some have looked to be doing better than others. I hate to speculate until the yields are in."

Darling reports some concerns with lower proteins in early harvested wheat. He adds that this is not surprising, given high yields and late season rains.

"We had a limited number of new hybrids in corn and soybeans this year," says Darling. "They all look really good, and I hope the combine agrees."



Asgrow 02XF4 looked good in the field this fall, but the proof will be in the combine hopper.

As this crop year wraps up, the seed sales group is already looking ahead to the 2025 season. That includes reviewing local yields, as well as seed company test plot results elsewhere.

"The seed companies have started holding meetings and networking about their results," says Darling. "So far, no supply issues are expected, given the good growing conditions this year."

Darling expects plenty of soybean seed for most hybrids. "As always, there will be a couple with limited supplies. This allows the company to look for unexpected issues before rolling out a large supply."

Looking ahead, Darling hopes to see seed sales continue to grow. "We had a great year, with some good growth," he says. "We have a great sales staff ready, willing and able to help our member/owners select their seed for the coming year."

FOCUS ON THE ROAD, NOT THE PHONE

Distracted driving is a concern year-round. However, in rural areas, harvest time traffic raises the danger index. Slow moving combines and tractors, combined with heavy truck traffic pulling in and out of fields and farmyards, are common.

"Distracted drivers are a danger to everyone on the road," says Stephanie LeVeque, Legacy Cooperative Safety & Compliance Manager. "Anytime you take your eyes, hands or mind off the road, you are driving distracted."

Texting while driving is especially dangerous as it involves all three. LeVeque points out how far a vehicle can travel while a text is being created or read.

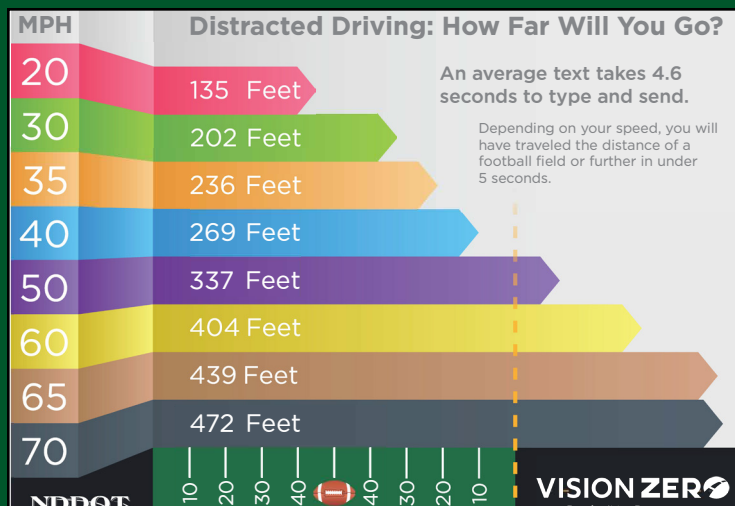
"The average text message takes 4.6 seconds to type and send," she says. "Going 65 mph, the car will travel blind for more than 439 feet. At that speed, it will take another 525 feet to stop. If a piece of farm equipment is just over a hill, you may never notice it in time to

stop. If a truck is pulling out of a field or driveway, will you see it in time?"

According to Vision Zero, a North Dakota state program to reduce accidents, there were 10,734 crashes in the state in 2022. These left 98 people dead and 3,763 people injured.

Data is still pending for 2023 and 2024. LeVeque notes that as of August a year ago, there had already been 106 fatalities, with 52 by August of this year.

"No text message is worth that," she says. "Remember to silence your phone and get to where you need to go or pull off in a safe place to answer it. Don't endanger your life or anyone around you."



Distracted driving is a year-round concern, but the risks rise at harvest. Slow moving equipment on the road, as well as entering and leaving the road, are common. At normal road speeds, you travel hundreds of feet in the time it takes to send a text or read one.



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TAKE MY JOB, YOU'LL BE GLAD YOU DID!

The only thing Bryce Leonard would rather do than work for Legacy Cooperative is farm. Lucky for him, he had a chance to do just that. As a result, his old job as location manager and agronomist at Rolette opened up. It was a job that Leonard enjoyed, as he had his previous three and a half years as an applicator.

"I enjoyed the fast pace in the spring, especially working as an applicator," recalls Leonard. "When my manager left, I had the opportunity to try something different."

Working at a business the size of Legacy Cooperative, opportunity comes with the territory. There are always positions opening up as people retire,



Bryce Leonard endorses Legacy Cooperative as a great place to work.

at first. "I didn't want to bug people, but I realized I was helping member/owners."

Doing so, also helped Leonard. "As I visited with our member/owners, I had a chance to see different operations and hear about different ways of thinking,"

are promoted or go farming, as Leonard did. Along the way, there is knowledge to be gained with long term benefits.

Leonard admits that calling on farmers to sell seed wasn't easy

he says. "The amount of knowledge shared by the people I worked with was amazing. I enjoyed working with them, and they took good care of me. It was tough to leave, but I wanted to farm my whole life and finally got the chance."

"We hated to see Bryce leave, but look forward to serving him as a member/owner," says Joe Kremer, Legacy Cooperative Agronomy Manager. "We have applicator/fertilizer spreading positions and others open and waiting to be filled. Pay and benefits are good, and these are great ways to learn the business, learn about our cooperative and learn our way of doing business. These positions can become a career or just the first step toward other opportunities."

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