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Spring 2025

MEETING YOUR CHANGING NEEDS FUELS OUR GROWTH



Sean Slowinski, CEO

Our annual meeting is only a few weeks out. This is always a good time to look back at how far we have come. It is also a good time to look at where we are and where we need to go.

We have come a long way in six short years since the merger of Cando Farmers Grain and Oil and North Central Grain Cooperative. By coming together, we have been able to do more and do it better than either co-op could have on their own.

There are always challenges, bringing two organizations together, but the opportunities to better service member needs outweighed those challenges. The board and you, the members, knew it was the right thing to do. Today we can all celebrate and be proud of that decision.

This past fall is a prime example of how you and your farming operation have benefited. There were plenty of challenges handling record yields, but we met them, and you rewarded us with your business. The record harvest, product and service revenue and your loyalty all contributed to our 2024 success.

There are many ways to measure that success. Perhaps the most direct is in dollars paid out to member/owners. Over the past five years, the Legacy Cooperative Board has authorized more than \$35 million in total, not including

what was paid out at the end of 2024 and what will be paid out at the annual meeting in March. That includes \$1,122,339.31 paid to estates, \$16,553,462.69 in cash patronage, \$4,580,770.54 requested by member/owners at age 68, and \$12,763,446.63 in equity revolvment. More than 30 percent of that was for fiscal year 2023 alone.

**LEGACY COOPERATIVE
ANNUAL MEETING
6 P.M., TUESDAY,
MARCH 25TH
ROCK LAKE SCHOOL
DINNER TO FOLLOW**

Of course, you can see the dividends you've earned in other ways. Nearly every quarter we share new investments in facilities, equipment and/or people, all made with your needs in mind. This past year, we continued investing in equipment, facilities and staff. In Rolla alone, we brought the new store online, opened a new tire shop and added a building to the fertilizer receiving bay at the agronomy plant. While the building wasn't something we had to do, it was the right thing to do. It helped contain the fertilizer dust that was blowing away from the receiving pit.

We made major upgrades to our rolling stock with six new semi trucks, nine hopper/conveyor trailers for fertilizer and grain, four floaters for dry fertilizer and

three new sprayers, as well as adding three new liquid tenders and two new loaders.

One of the loaders was for the new agronomy facility at Egeland. That new facility secures our ability to warehouse the fertilizer you need for the season ahead. It eliminates the risk that a train that was ordered for the first of May doesn't arrive in time, or that high water prevents barges from coming upriver, both of which have occurred in recent years.

Certainly, the expanded and enhanced facilities and equipment helped make our positive financial results possible. However, without our dedicated staff, you wouldn't have enjoyed the high level of service and high quality, competitive inputs you received. And, the harvest wouldn't have gone as smoothly as it did.

The past year provided opportunities for Legacy Cooperative to thrive and grow. Automation and increased efficiency from facility upgrades have helped take advantage of those opportunities. But it takes people filling up the bulk fuel tanks that ensure equipment keeps running, should the terminals start running out mid or late season. It takes people with vision and awareness to order an extra three or four thousand tons of urea, even if it hasn't been spoken for. It takes people willing to risk ordering an extra train when yields are exceeding expectations. And, it takes people willing to stay open later, put in longer hours in trucks and field cabs and stay up late or

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get up early to fill a train.

People making those decisions and doing that work helped keep field equipment going last spring and kept elevator doors open last fall. It takes great people to operate a business.

We respect that dedication and reward it by offering benefits and compensation that will keep the great people we have and attract good people as we need them. It is why we introduced a 100 percent funded health plan, including dental and vision, for individuals and families.

If we are going to maintain the level of sales we had this year, we need those employees and their continued dedication. If we are going to continue to evolve and grow to meet your growing and evolving needs, we need those employees.

Investing in ways that serve you today

and will continue to serve you for years to come is why we built the new agronomy center and fertilizer plant at Egeland. It will take pressure off the agronomy center at Bisbee this spring and for years to come.



By late January, the new fertilizer plant and agronomy center at Egeland was nearly complete, with only final electrical work being done.

We started filling the storage bins the week of February 4th. By the annual

meeting, we anticipate the plant will be full of urea, AMS and MAP. Our intended go-live day for blending and moving product out is the week of April 6th.

As we look ahead, we know we have to continue to grow and evolve if we are going to adapt to your changing needs. Whether you are growing 80-bushel spring wheat or 150-bushel corn, additional storage and drying capacity are needed. We are looking at significant investments to be ready to take those added bushels and to serve you for years to come.

As we look at where we are today, it is your business that has fueled our growth. As we look ahead, we are confident we will continue to earn that business and together we will have reason to continue celebrating the success of your Legacy Cooperative. Thank you for your business and continued support.

VIEW FROM THE BOARD



Tim Hendrickson

Legacy Cooperative has wrapped up another phenomenal year. When we get a lot of bushels, it is good for the cooperative, and that is good for us.

When I was in my 30s, equity was being held back by the cooperative. A lot of us young farmers thought we would never see it. Turns out, we were wrong, as now that equity is coming back to us and we aren't even "really old."

As a board member, it feels good to be able to revolve equity and even better that we are able to pay out a sizeable part of the current dividends in cash. This is really important for our younger farmers. I know I could have used the money when I was getting started. With

the ever-increasing cost of equipment, getting that dividend check can make a difference.

More costly equipment isn't the only thing changing on our farms. We used to think 30-bushel soybeans was a good crop. Now a good crop is 45 bushels. Corn used to come in at 60 to 70 bushels. Now it is yielding 130 and more. We've watched wheat go from 30-bushel yields to thinking it is a disaster if we don't get 60.

Our harvest has sped up as well. When we put up a 25,000-bushel bin on our farm, it took us 2 1/2 days to fill it. Now we can fill it in a day. At the same time, we used to put three combines in the field at a time; now we only have operators for two. Finding labor is a challenge.

These changes carry over into discussions on the board because they

affect the decisions we make about the future of Legacy Cooperative.

As a co-op, we brought in just under a million bushels of corn this year. Even if no more acres go into corn, those higher yields in wheat and soybeans mean we still need to plan for more storage.

In late February, I was visiting my daughter and could look out her window at three large farmer-owned bin sites. I don't see storage like that being built on farms in this area. However, through our cooperative, we can add the storage and drying facilities needed.

For Legacy Cooperative, doing so is an opportunity to provide a needed service. It is also an opportunity for the cooperative to continue to grow. That, as we've seen this past year, is good for the cooperative, and it is good for us.

OUR PEOPLE ARE READY! OUR FACILITIES ARE READY! LEGACY COOPERATIVE AGRONOMY IS READY TO ROLL!

Joe Kremer, Legacy Cooperative Agronomy Manager, is excited about the coming season. "I wish it was spring tomorrow," says Kremer. "We have the best equipment, facilities and people I've seen in my 26 year career!"

Fertilizer bins at agronomy centers are filling up fast, with the last of the season's fertilizer trains scheduled to arrive in March. With completion of the new fertilizer plant at Egeland, filling those bins has been a major undertaking.

"We ordered 235 train cars just to fill the bins at Egeland," says Kremer. He credits the dedicated staff and the investment made in the new semi-trucks and trailers. They kept going as long as they could, even when the extreme temperatures hit in February.

Kremer reminds member/owners of the potential risk of delaying orders. "We won't carry any more fertilizer than we have been told is needed," he says. "If the market stays tight and someone wants to order in season, it could get costly for them."

As it is, he notes, the fertilizer market has been up since December. Urea and AMS are super tight.



The Legacy Cooperative fertilizer bin at Egeland is piled high in preparation for spring.

Kremer points out that late orders also affect other member/owners. "If I have to send 10 drivers to Casselton to get urea, they won't be servicing floaters in the field. The better our member/owners plan, the better we can service everyone's needs."

Supplying those who have booked or prepaid is not a concern this year. The new Egeland fertilizer plant and agronomy center, with its 22,000 tons of storage space, has eliminated that worry for Kremer.

"The new facility is just amazing," he says. "I can't say enough about it. From the high-speed tower to having two truck lanes, one for straight products and one for blended, it will provide unmatched efficiency. Serving member/owners is all about speed. The faster we can load out, the faster it gets to the farm."

In addition to fertilizer storage, the seed and chemical storage and even the four offices are also designed to meet member/owner service needs, adds Kremer. "We have six bulk tanks for chemicals all under one roof," he says. "The offices ensure privacy for member/owners meeting with their agronomist or seed salesperson."

Providing privacy was the reason for an upgrade at Rolette also. Space was redesigned to provide two offices. While Kremer is pleased to provide member/owners with that feature, he is even more pleased with the new staff.

"Emily Paul and Ashton Wold took over from Bryce Leonard in October," says Kremer. "They are energetic and not afraid to ask questions."

Originally from Rugby and Devils Lake, respectively, Emily and Ashton are equally enthusiastic about joining Legacy Cooperative.

"I really like that we are driven to meet the needs of our member/owners and give back to them with service, but also through patronage and equity," says Paul. "It is not like the non-co-op world where the profits go to others."



Emily Paul (left) is the Rolette Location Manager & Agronomy sales. Ashton Wold (right) is the Agronomy Operations Specialist.

Wold echoed Paul on the co-op system, adding how much she appreciated the support they had received from the member/owners. "They are comfortable asking questions, and if we don't have the answer, we can draw on the expertise of the Legacy team," says Wold.

"We have a really solid agronomy team, and there is a lot of energy shared from one location to another," adds Paul.

With new employees like Paul and Wold and so many proven, dedicated and experienced team members, Kremer is excited for spring to arrive.

"We've delivered great service in the past," says Kremer. "I believe we can and will continue to build on that tradition!"

WATCH FOR PRICING OPPORTUNITIES IN VOLATILE MARKETS

Grain markets have been volatile with recent tariff discussions. The increasingly narrow window when China is buying U.S. soybeans may have closed for the season as South America starts their harvest, but that's not the case for Mexican purchases of U.S. corn and wheat.

"Mexico is the number one importer of U.S. corn and the number two importer of U.S. wheat," says Brooks Larson, Legacy Cooperative Grain Manager. "The March 1st deadline for 25 percent tariffs will have come and gone by the time this newsletter reaches mailboxes. If they went into place and Mexico reacted with tariffs targeting agricultural commodities, grain markets are likely retreating."

Another trade relationship to keep track of going forward is between the U.S. and China. The Trump administration has already placed an additional 10% tariff on Chinese goods coming into the U.S. China has retaliated with tariffs against U.S. energy products, but so far agricultural commodities have not been targeted by them. Despite South America taking a little more of our market share every year, China is still the #1 importer of U.S. soybeans.

In an uncertain market, risk management is more important than ever, notes Larson. "For the co-op, keeping risk to a minimum means selling grain just as fast as we buy it," he says. "Every time it warms up, we see farmers move a little more of their grain in bins to town. Forecasting grain movement and selling trains in advance helps mitigate our risk as well."

Freight markets are also very volatile with secondary market rail freight trading up to \$1500 a car in February, due to the long duration of bitterly cold weather. The co-op has to try to forecast freight needs six or more months in advance to make sure we aren't at the mercy of

those huge swings in freight values.

Given input costs, Larson notes that risk management may mean getting some grain marketed before spring. He points out the possibility of weather concerns driving the market later this spring and summer.

"We had some moisture this fall in our area, which will help things get started, but we will need pretty good moisture in June and July to keep the crops going" says Larson. "You never know what headline is going to drive the market."

Drought concerns may be one. The February 20th U.S. Drought Monitor listed drought impacting 45 percent of corn production acres, 36 percent of soybean production acres, 40 percent of spring wheat acres and 20 percent of winter wheat acres.

Drew Lerner, founder and president of World Weather, recently shared his concerns with Top Producer Summit attendees, "If we continue bringing these cold shots of air through North America, we will have a below-normal precipitation bias [for the western Corn Belt] as we go forward through spring planting season."

He added, "If we warm up quickly in the spring, which is a high possibility, we could



Managing risk at Legacy Cooperative can mean loading out canola even when the temperature is -6°, as Sam Boisvert was doing here.

end up falling behind the eight ball a little bit more on soil moisture,"

Tariff headlines have contributed to uncertainties and opportunities. "Talk of 25% tariffs going into effect on Mexican and Canadian goods in January made for a bearish market, but when a month's delay was announced, the market popped," says Larson. "In mid-February, we had some pretty good days with the wheat and soybean markets trading at the high end of their recent ranges and corn consistently setting new highs."

The February USDA report gave us very few changes; however, the January report cut the 2024 U.S. corn and soybean production significantly due to a drop in yields. That was bullish news for those markets, while wheat production and ending stocks held steady.

"It is unusual for the USDA to cut production estimates so late," says Larson. "It shaved a fair amount off of our ending stocks for both corn and soybeans and gave member/owners a chance to get some old and new crop grain sold a little higher than what they have seen since harvest."

News from South America has been mixed. Argentina's soybean crop is projected down slightly at 49 million metric tons (mmt). However, Brazil is projected at 169 mmt this year vs. 155 mmt last year.

"Whatever was lost in Argentina will be made up for by Brazil," says Larson. "Brazil's crop seems to get bigger every year."

While commodity prices aren't quite as high as everyone would prefer, there will be marketing opportunities, suggests Larson, adding, "Let us help you take advantage of them when they occur."

AT LEGACY COOPERATIVE, STAFF UNDERSTAND THAT FLEXIBILITY IS KEY

Flexibility is a key part of the Legacy Cooperative way of life. That is as true for the truck fleet as it is for the drivers in the cab and other members of the staff. That's why the semitrailers that arrived last summer were multi-purposed. The conveyor belt can be used in fertilizer for unloading and then removed to handle grain and fertilizer for the remainder of the year.

"Our drivers know they may be hauling grain in the morning and fertilizer in the afternoon," says David Berginski, Legacy Cooperative Operations Manager. "The ability to switch back and forth is huge. Our people understand that schedules can change at the drop of a hat."

"Fortunately, we have had no major breakdowns," says Berginski. "It takes good equipment and good people to make it through weather like we had in February."

Berginski notes that having reliable equipment eliminates a lot of problems. He gives credit to significant investments in the cooperative's rolling stock and application equipment. He also credits the employees.

"We look for people who will be dedicated and have character," says Berginski. "Every one of our employees will jump in and help out to the best of their ability. They often work through problems on their own. If they can't, they get help."

Just as the cooperative planned ahead for flexibility with the new trailers, management plans ahead to ensure flexibility in employees. "Early on in the hiring process, we emphasize that we don't have a crystal ball," says Berginski. "We don't know what the day will hold, much less what the week ahead will hold."

That need for flexibility extends well beyond Legacy Cooperative drivers.



Train arrivals have no respect for the weather or time of day. A grain inspector closes a door on a car that has been filled on a "warm" day with temperatures at a balmy 0° and a -14F windchill. The train was nearly two weeks late and could have arrived a few days earlier when temperatures were considerably colder or in the middle of the night.

This winter, agronomy staff have been busy helping Operations prepare for DOT inspections.

"They have also been installing GPS receivers," says Berginski. "Every truck, floater and applicator will be equipped. Tender drivers will be able to check the app on their phone and get directions to the field the floater is in. The operator will be able to check to see when their refill will arrive."

Other staff, such as fertilizer plant operators, sales staff and operations staff, will be able to monitor the fleet as well. Berginski expects a significant improvement in efficiency with this level of fleet management.

"In the past, with the larger equipment, we would go out to the field and refuel between 6 and 7 p.m.," says Berginski. "Now, the fuel tender can go right to the field where they are working and refuel the machine. Operators will be able to stay in the field longer and get more done each day."

Another part of the business that Berginski's team has stayed flexible with is train arrivals. Weather and other constraints make it difficult to predict when a train will arrive. In February one was nearly two weeks late due to the extreme cold.

"It was a nice day when it finally arrived, but we don't get to decide," says Berginski. "It was zero degrees, and the sun was shining. It could have been three days earlier and -40F."

Flexibility is needed when a train shows up and there is a very short window in which it has to be filled in the case of grain or emptied in the case of fertilizer.

"Our staff knows that we need to respond regardless of the weather or the time of day," says Berginski. "That takes character and dedication."

STOCK UP NOW ON LUBRICANTS AND FILTERS, AND GRAB A BITE TO EAT WHEN YOU DO

The annual spring sale of Cenex lubricants, filters and select implement tires starts March 12th and runs through the end of the month. John Lovcik, Legacy Cooperative's Energy Manager, reminds member/owners to stock up for the season ahead.

"We have all the oil, transmission fluid, hydraulic oil and more that you might need," says Lovcik. "The sale also covers any filters you need as you get tractors and trucks ready to go to the field."

Select implement tires are also on sale. "If you have other tire needs, be sure to visit with our staff at Rock Lake, Rolette, Bisbee, Dunseith and Rolla," says Lovcik. "We carry multiple brands, and they often offer specials throughout the year."

Lovcik adds that the Rock Lake station has added a good supply of banjo fittings and trash pumps for spray systems. "As you are doing maintenance on sprayers, consider replacing worn components sooner, rather than breaking down in season," he says.



Don't overlook banjo fittings when doing equipment maintenance. Replace worn fittings with the wide selection at Rock Lake.

Lovcik notes that an increasing number of member/owners are moving to bulk oil systems. Seventy and 120-gallon totes are the most common sizes, but there are



The annual filter and lubricant sale is on. Stock up for spring with Cenex lubricants, by the jug or by the tote, filters too.

other sizes available depending on your needs.

"Let us know if you are interested, and we can help you get set up with a bulk oil system," says Lovcik. "Bulk oil delivery needs to go into a closed system to avoid contamination, so we can't simply deliver into an empty barrel."

Member/owners who have them appreciate not having to deal with barrels and small containers, adds Lovcik. "They have the oil in the shop where it is needed, pay a lower cost and have less potential spillage and mess," he says.

Fuel prices are signaling that this is a good time to top off bulk tanks, adds Lovcik. He notes that he is practicing what he preaches, as he has been filling Legacy Cooperative's bulk storage tanks.

"Spot market prices are still attractive compared to forward contracting," he

says. "Spot prices have been up and down within a 15-point range. Futures plus basis have been trading about 30 cents higher than the spot prices."

Lovcik suggests signing up for the daily price alerts, if you're not already receiving them. "Contact Alexis Disher at the Rolla Ag Center," he says. "She can be reached at 701-477-6430."

The price differential hasn't stopped some member/owners from contracting ahead for the spring or summer, points out Lovcik. "They are managing risk by locking in a forward contract and knowing what their fuel costs will be," he says. "At this time, the terminals don't anticipate problems with supplies for the spring, but that can change in a heartbeat."

Member/owners are also continuing to add fuel and propane tank monitors, notes Lovcik. "We are seeing more interest in the monitors," he says. "Contact Chris Poitra in Rolla at 701-740-9911 for more information or to get monitors installed before spring work starts. It will remove an underlying concern of running out of fuel when you can least afford it."

Legacy Cooperative propane customers may receive a call or letter to schedule a leak check if we do not already have one on file. "It is a procedure we do on your propane system to ensure it's running safe and efficient," says Lovcik. "We check for leaks throughout the system from the tank to the appliances, fireplaces, water heaters and furnaces."



Cheeseburgers with all the fixings are back at Cando, along with a full selection of Coke products..

Whether stopping to pick up lubricants, replacing a set of tires or picking up some banjo fittings, don't miss out on food options. "Check out the local specials," says Lovcik. "Call in an order to go or eat it at the store."

ARE YOUR ANHYDROUS TANKS COMPLIANT?

Don't waste time this spring towing a non-compliant anhydrous tank for filling, advises Steph LeVeque, Legacy Cooperative Safety Director.

"Take time to look over your tanks to be sure they are painted and have decals that are legible and easy to read," she says. "Check that pressure and relief valve certifications are current and not expired. If any of these conditions are not met, we can't fill the tank." This is not only the law, but the best practice to keep everyone safe while handling anhydrous ammonia.

LeVeque notes that with a top speed of 25 mph towing a nurse tank, getting a fill can involve a lot of time on the road. When doing a safety evaluation, take the time to check welds and connection points with a mallet, she adds.

"We don't want to find a weak point after we have filled a tank," says LeVeque. "We check every joint, every weld and attachment point between the tank and the running gear. People have had them



While moving this tank in a parking lot, a weld broke and the tank rolled off.

break off and had the tank roll off the frame or had the trailer tongue break off and the trailer run away."

Metal fatigue was a new concept for LeVeque when a weld broke while a tank was moving in a co-op parking lot. "I knew we had to check welds, but now we use a mallet to be sure the joint and connection points are solid," she says. "We want to keep our employees and our community safe."

In addition to checking over Legacy Cooperative's tanks, LeVeque says she has had member/owners bring their

older nurse tanks in for safety officers to inspect.

"They know the tank is their responsibility when they take it off our property," says LeVeque. "Everything needs to be secured and in good working order."

Simply towing a nurse tank down the road has its own level of risk, due to the slow speed required, adds LeVeque. "We've had instances with near misses," she says. "Other drivers were distracted and didn't notice our guys were pulling a nurse tank. We all need to be on the lookout for slow-moving equipment."

LeVeque is looking forward to having help with safety inspections. "Our safety committee is expanding and getting more involved with monthly inspections and employee training," she says. "As we add facilities and expand existing ones, there are more things to evaluate. The committee will be more hands on."

SEED IN GOOD SUPPLY, BUT DECISIONS REMAIN TO BE MADE

Deliveries of canola and corn seed are arriving, and most soybean seeds are already in hand, reports Trevor Darling, Legacy Cooperative Seed Manager. Five new 4,000-bushel bins at Rolla, along with seed storage at the new Egeland agronomy center, are bolstering supplies. What is not in hand, same as in past years, are member/owners' plans.

"Planting intentions shared are down around 75 percent of normal," says Darling. "Canola seed sales ended up around 65 to 70 percent of normal. Wheat seed sales were flat. Soybean seed sales were up, but not enough to make up for reduced canola sales, suggesting indecision on the part of member/owners."



Eventually, Darling expects canola acres to be split between soybeans and wheat. "There is a little more interest being shown in specialty crop and sunflowers, but they don't count for a lot of acres," says Darling. "Even if not every acre goes to soybeans from canola, we will likely run out of some varieties."



By the bin, the tote or the bag, Legacy Cooperative has the seed you need.

While some new varieties really stood out this past season, Darling notes that every variety looked good last year.

"We'll see how they hold up in a less-than-ideal year," he adds. "We still have a lot to learn about them."

Thanks to forecasts for high demand, Darling reports there was plenty of seed production. "There were no problems with germination or growth, so most varieties are in good supply," he says. "However, the sooner a decision is made and shared with our sales staff, the more likely you will get the varieties you prefer."



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DON'T MISS THE ANNUAL MEETING OF YOUR LEGACY COOPERATIVE

You're invited! The Legacy Cooperative annual meeting is coming soon. Join your fellow member/owners and celebrate the success that you have helped create.

"We encourage you to attend the annual meeting," says Jeff Teubner, Legacy Cooperative Board of Directors Chairman. "It is a unique opportunity for you to come together with your friends and neighbors and share in our success."

Teubner notes that the annual meeting gives member/owners a chance to participate in the organization, review the past year, and go through the numbers in appropriate detail.

Even more valuable is the sharing of information about the cooperative and

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what the future may bring. "We try to be transparent about our plans for investing in the future of our cooperative and providing even better service going forward," says Teubner.

The annual meeting also involves the election of three members to the board. "As member/owners of Legacy Cooperative, you can make your voices

heard with your vote," he says. "With a locally owned cooperative like ours, you invest with the business you do, the equity earned revolves back to you, and you have a voice in how the cooperative is governed."

The amount of equity returned this year, the investments we have made in assets, and the level of service received, is a sign of a healthy, well-functioning cooperative, notes Teubner.

"I have been fortunate since I've been on the Legacy Cooperative Board of Directors, we've had some pretty good years," says Teubner. "This year is the best yet. So, come and celebrate the success we have built together."

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GET THE INFORMATION YOU NEED WHEN YOU NEED IT. GIVE US A CALL AT 701-656-3263.**