



Provide quality and competitive products and services that create value for our patrons

SUMMER 2024

LEGACY COOPERATIVE IS DEDICATED TO YOUR SUCCESS



Sean Slowinski, CEO

Our recent annual meeting provided a window on the past. It was a snapshot in time. It reflected a good year for Legacy Cooperative, one of a string of good years, as evidenced by the patronage returned each of those years. Those good years didn't just happen. They were the result of employees and a Board of Directors dedicated to your success.

Your board has had the foresight to make the investments needed in facilities, equipment and staff to provide you with the inputs and services you need to succeed. Past investments laid the foundation for past good years, just as current and future investments will help secure future returns and our ability to create value for you.

We need to stay the course. We know it won't be easy. Like you, we are seeing the impact of financial challenges. The costs of doing business are increasing as we update rolling stock or add brick and mortar. Certainly, the cost of managing risk through insurance continues to increase.

Legacy Cooperative is well prepared to navigate this challenging future. We have a strong balance sheet and a record of good performance in years past. That is vital, as some risks can only be managed through action.

Fertilizer availability is one of these. We are at the end of the line when it comes

to fertilizer. While some is produced in this country, much of it comes from foreign sources. In recent years, we have seen supply threatened by international conflicts, both high and low water levels on the Mississippi and delayed rail deliveries.

The risk of not having the fertilizer available when you need it is why we invested in expanded storage in Rolla and Bisbee in the past. It is why we are making the investment now at Egeland.

Some may question if making the investment will raise the price of fertilizer. The fact is that if we don't have it when you need it, the price is irrelevant. Without a supply, we aren't in the game, and you may not be either.

Our recent investment in new rolling stock is one more way to reduce risks. While we haven't replaced all our equipment, we have upgraded much of it. New equipment in general reduces the risk of downtime when we can least afford it. Going with John Deere application equipment gives us access to John Deere Operations Center software. As we get up to speed on this new technology, we are confident we will see more efficient use of equipment and manpower.

Meeting challenges like this is neither a short game nor a long one. It is an infinite game, one that is always changing. This past spring we anticipated a six-week spring with a late April start. While spring rains provided much needed moisture, six weeks turned into three

weeks. Our ongoing improvements to equipment and facilities allowed us to adapt.

Of course, none of that would have made a difference without our employees. Once again, they displayed their dedication to delivering inputs and services when and how you need them. That means long days and short nights when every minute counts, helping you get in your crops. Sometimes that means changing hats, as our grain merchandisers jumped in trucks to deliver fertilizer, just as agronomists will help at elevators in the fall.

Our employees know meeting your needs is their job, regardless of their job title. It is why your board and management make attracting and retaining good people a priority. We are committed to doing what it takes, because you can't run a business without people.

Keeping the business running smoothly this spring required bringing on some additional help with some new drivers. Our efforts to be the desired employer in the area has paid off. We are very happy with the number and caliber of people we've brought on staff at Legacy Cooperative.

Having made a significant investment in equipment, we hoped to make it through spring without maintenance problems or an equipment breakdown. As I am sure all of you know, we suffered a double blow with a severe accident when a new

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fertilizer spreader hit a drainage ditch at field speed. Not only did we lose a machine with only 83 hours on it, but more importantly an employee was injured and unable to work.

The machine can be replaced and, in fact, within hours we were able to place a former operator in a rental machine. We are thankful our injured employee is recovering and that the former operator was able to fill in the gaps.

Supporting our member/owners with crop inputs and services at planting time is our highest priority. That doesn't mean it is our only priority. With soybeans gone, our grain division continues to load wheat shuttles. While the flow of wheat into locations slows, if not stops, during planting, we know there will be a rush as we get closer to harvest.

Please do yourself and our grain division a favor and discuss your delivery plans with us. Communication is key. Given the moisture we have received this spring, a better than average crop can be expected.

With Brazil continuing to expand soybean acres and yields, our opportunity to capitalize on a PNW program decreases. The PNW sales window opens later each fall and closes sooner each winter. Not having your soybeans on a train by the first of February can get costly. Going from a PNW bid to a St. Louis bid changes basis and can back up a bid by 80¢ or more locally.

Work on the new store at Rolla is finally wrapping up. Earlier this spring, we actually removed some concrete that was poured late last October during a snowstorm. While the concrete was strong and solid, the

finish was not up to standards. Road salt would have eventually permeated the finish and we would have ended up with pitted spalling concrete. Both Legacy Cooperative and the contractor agreed that the best course of action was to remove and replace. A grand opening is planned for around the third week in July. We expect our employees are looking forward to the new facility. We hope our member/owners and other members of the community are as well.

Whether at spring planting or completing work on a new C-store, you can be sure we will stay the course. We never forget that the reason we get up in the morning and come to work is to help make you successful. Whether it is fixing a tire, serving a sandwich or spreading fertilizer, it is why we are here.

VIEW FROM THE BOARD



Mark Heinz

not just because I'm a member of the Board of Directors.

I started out doing some business with agronomy and some with grain. I got better service, and the agronomy staff had better knowledge than I could get elsewhere. They gave me the quality product and friendly, knowledgeable service that I was looking for. Over time, they earned all my agronomy, seed, grain and energy business. Having a place to get tires fixed or a bite to eat is important too. In some of our communities, there aren't a lot of other places to eat.

Over the years, facilities have improved,

Good people, good equipment and good facilities are the reasons that I do business with Legacy Cooperative. It's

not just because

as has the equipment. While those upgrades are important, you need quality employees to get quality service, and we have both.

It is tough getting good workers in our communities. I know how challenging it can be. I just added an employee myself. I think all of us member/owners understand that you have to pay better to get employees and keep them. The management team and our board understand that. The pay and benefits Legacy Cooperative offers is why we get the service we do.

I think our member/owners and others in the community take a lot of pride in our cooperative. People in Rolla are excited about the new store opening. Member/owners were happy with the patronage checks they received, but their pride goes beyond that.

"What are you doing next?" "When is the next expansion?" These are questions

people ask me. They are interested in and expecting Legacy Cooperative to be planning and making improvements and upgrades like the new fertilizer plant at Egeland. There is a real sense of ownership.

Last year was a challenging year with unexpected fertilizer demand and a tight harvest window. The cooperative and its employees came through and still made money.

This year has started out with some challenges as we farmers and Legacy Cooperative adjusted to the tight window to get the crop seeded.

Those things wouldn't have been possible without the investments Legacy Cooperative has made in good people, good equipment and good facilities.

LEGACY COOPERATIVE MEMBER/OWNERS WERE KEY TO MEETING FERTILIZER NEEDS

After a very challenging 2023, Joe Kremer, Legacy Cooperative Agronomy Manager, has no complaints about 2024. Everything went smoothly, and he gives a lot of credit to member/owners.

"The rains slowed things down enough that a needed trainload of fertilizer arrived in time, and we were able to keep locations stocked," says Kremer. "It really helped that our member/owners shared their plans early. When they do that, we can do a better job. They were the key to the whole thing. When plans are shared, we can meet the demand without pulling off miracles like last year."

Kremer notes that one of the few concerns was a shortage of ammonium sulfate. Aside from that, almost everything worked out well.

"The accident with one of our new spreaders was the exception," says Kremer. "We were fortunate that the operator wasn't hurt even more seriously. Thanks to a back-up machine and an experienced former operator, we were able to keep up."

Acres applied remained about the same as in past years, although fertilizer sales were up. "More and more member/owners are spreading their own," says Kremer. "The new application equipment ran with very few problems and nothing major. Being more efficient helped us keep up with demand, even with a tight application window."

The rains may have helped with fertilizer supply, but not with herbicide applications. "Getting pre-emerge



Legacy Cooperative member/owners can depend on experienced aerial applicators like Jess Brekke (shown here), Brekke Aviation, to get the job done by air if that is preferred or if weather prevents planned ground application. Either way, Legacy Cooperative Agronomy has member/owner needs covered.

herbicides down was a struggle with the rains," says Kremer. "Those who got them on will see a big dividend with kochia control. Without the pre-emerge, in-crop control has to do some heavy lifting."

Herbicides were and continue to be in good supply, reports Kremer. "There have been no shortages," he says. "Sometimes there is a market shift with a product, but there are always other options."

Fungicides are also in good supply, which is extra important this year, advises Kremer. He expects significant demand, noting that a monster run up in demand can get interesting on the supply side.

"Fungicide application has shown a plant health benefit every year, but with all the moisture we've received, it will be especially important this season," he says.

Here, too, cooperation with member/owners will make all the difference. "Let us know your needs," says Kremer. "If you want it applied by ground, we can handle that, or if you want aerial application, we can set it up. If you plan

on ground and it rains, we can switch to aerial."

In addition to new ground application equipment, Legacy Cooperative has multiple aerial application services lined up to get the job done.

"We have access to several aerial application services," says Kremer. "We are very proud of what we can accomplish with either ground or air."

Kremer encourages member/owners planning to make their own applications to share their plans and preferences. "Pick the products that are right for what's going on in your fields," he says. "We can get the package size you want, but with the expected demand, the earlier you pick it up, the better."

Kremer also gives a lot of credit for the smooth season to Legacy Cooperative's dedicated employees. "We have quite a few new employees, and while they require more management, they understand what we are doing and why," says Kremer. "We put in long hours, and if we are short-handed, someone steps in to make sure the job gets done. When the weather is right, most of our people are putting in 80 to 100 hours a week."

Kremer is especially proud of Brody Haakenson and Bryce Leonard for the way they stepped into new positions this year. "They put in the extra hours needed to understand the needs of the member/owners and to meet those needs," says Kremer. "They made sure things were done right and our member/owners were satisfied with what was being done."

TAKE ADVANTAGE OF WEATHER RALLIES

When wheat prices jumped by \$1.30 a bushel in mid-May, weather was the driving factor. Drier than normal weather in Russia had been reported for March and April. That was followed by severe frosts in early May. The potential impact on wheat production pushed the July wheat futures contract at the Chicago Board of Trade to its highest level since last August.

"Russia has been the big story on wheat lately," says Brooks Larson, Legacy Cooperative Grain Manager. "They started crop projections at 95 million metric tons and are now down to 82."

Weather in the U.S. also contributed to the market jump in April when dry conditions in Kansas and Oklahoma appeared to threaten production. Wheat Futures surged about 90 cents before dropping when rain brought relief to those areas. When the winter wheat tour went through the area, a better-than-expected crop was predicted. That news was quickly countered by the stories out of Russia.

"Markets have been kind of wild lately," says Larson. "We've been buying a lot of delayed price wheat as folks have been calling in to pull the trigger. We've also been buying a lot of wheat off the farm, but there is still a lot of wheat out there."

Larson reminds member/owners to contact their grain merchandisers to price their grain. Weather will continue to provide a bumpy road for futures. As winter wheat harvests start in Texas, Oklahoma and Kansas, reality will hit.

"We can all speak from experience, seeing what you think will be a 30-bushel crop end up being closer to 60 bushels," says Larson. "Meanwhile, weather scares are a great opportunity to liquidate delayed price contracts and put sales on for new crop bushels." Larson reminds growers

that the current delayed price program ends on July 18th.

Spring rains in the Legacy Cooperative area made getting the crop in the ground more difficult, but it also broke the drought. Thanks to the ability to put the crop in fast, the foundation has been laid for a good crop, notes Larson.

Legacy Cooperative grain trucks kept busy moving canola out through early May. "The canola market got a nice lift earlier this year when Canadian planting intentions called for 3 percent fewer acres," says Larson. "We don't see much change expected in U.S. production."

Little change is expected in soybean or wheat acres nationally, he adds. Corn acres are forecast to be up, even in the face of a 2-billion-bushel carryout. Domestically, soybean and wheat carryouts are also at comfortable levels for buyers.

South American production didn't help the soybean market. While Brazil's production was shorter than 2023, Argentina doubled its production. The region continues to convert acres to row crop production. South America took a lot of China's demand for soybeans from the U.S. last year. Brazil's lower production may change that this year.

"Supply and demand are keeping a lid on these markets," says Larson. "However, those weather scares will continue creating opportunities to make sales through the summer."

One concern Larson has for the coming crop year is freight costs. Rail freight is set to be substantially more expensive for both spring wheat and soybeans this coming crop year. This increase is due to the railroad both hiking tariffs and selling less freight than they have in previous years. "Less supply from the railroad

means elevators are having to pay more at auctions for yearlong freight packages. The auction costs are above and beyond the already increased tariff rates set by the railroad."

Another upcoming challenge Larson notes for 2024 is having more space for corn when our patrons need it. "We are going to do our best to have a home for both dry and wet corn in Bisbee, Cando, Rolette and Rolla this year," he says. "This plan is going to involve moving more of our wheat and soybeans at harvest to make some extra space available for corn. Knowing how much corn our member/owners want to haul in at harvest will help tremendously."

Many Legacy Cooperative grain staff kept trucks moving and trains loaded as needed. However, as in the past, spring planting season saw some temporary changes in duty.

Examples included Sam Wagner, elevator manager in Egeland, who went to Cando to run the seed treater. Raymi Hendrickson and Fargo Hoerer, the elevator managers in Rolla and Rock Lake hauled seed and fertilizer periodically throughout the spring. Bruce Cahill, the elevator manager in Cando hauled fertilizer for Egeland agronomy. Matt Crebo, the elevator manager in Overly, helped fill anhydrous tanks. Jimmy Carlson and Bob Swenson, grain buyers at Bisbee, and Larson also jumped in trucks as needed.

"As agronomy gets busy, we help out wherever we can as we can spare people," says Larson. "Agronomy returns the favor at harvest when the elevators are their busiest. It is just one more way we work together to make our member/owners successful."

LEGACY COOPERATIVE IS ALL ABOUT GETTING WHAT NEEDS DOING, DONE!

When the rains started, Legacy Cooperative operations knew it didn't mean a break. "Not only my crew, but every employee understands the importance of the cooperative system and taking care of member/owner needs," says David Berginski, Legacy Cooperative Operations Manager. "They understand that regardless of what their main job is, they will be helping out in other areas to keep product moving."

Berginski has been with the cooperative for a decade and notes that sharing duties between divisions and locations was not as common as it has become. "There was always shared labor, but on a smaller scale," he explains. "It is on a much larger scale, not just between agronomy and grain at a single location, but from one location to the next. We have a great group of people willing to move around and help out."

Berginski points to truck drivers as a great example of going the extra mile during the planting season crunch. "They can be hauling fertilizer until we get a rain delay," he says. "They sweep out the truck and haul grain. When the fields dry out enough, they sweep out the grain and haul fertilizer again. All the drivers do it."

"Sometimes they do it multiple times in a single day," adds Berginski. "It's frustrating, but they know it needs to be done. Our guys have been phenomenal."

Berginski admits that having four new semis with four new AgriLite trailers didn't hurt the effort. "We've been able to haul more fertilizer to the field with each trip," he says. "That keeps the spreaders going and the trailers out of the load-out line longer."

The new applicators have also done their share of the heavy lifting this past season. Berginski acknowledged the wreck of one new spreader was disappointing. "We hate to lose a machine, but to have someone injured more seriously would have been worse," he says. "As my old boss told me, you can replace equipment. You can't replace people."

While people were key to getting the job done, new and upgraded facilities played a big role in meeting member/owner needs. "Without the investments made, we wouldn't have had what we needed to handle this past season," says Berginski. "With the volume of product

we are moving today, we would have had some very frustrated member/owners."

Those improvements continued to be made throughout the spring, preparing the way for faster, more efficient material handling in the future.

"The Cando upgrades are coming to an end," says Berginski. "The new overhead bins will speed the load-out of grain. Trucks moving grain out won't have to tie up the driveway for member/owners hauling grain in."



Like many other upgrades at Legacy Cooperative facilities, the new overhead bins at Cando will save time for employees and member/owners as well. Placement serves truck and train car load-out.

The overhead bins were placed so they can do double duty. Cando track access can handle 10 to 15 car shuttles, and the hoppers line up with it also. "This will be important if we start handling a lot of corn or barley," says Berginski.

Planned highway construction has focused Legacy Cooperative operations staff on clearing out grain stored in Rolla, Overly and Rolette. Road construction could be a two-month project, suggests Berginski. However, the impact of the project could stretch into the fall, at least.

"Member/owners can expect that the DOT and North Dakota Highway Patrol will be paying special attention to the new roadway," says Berginski. "When hauling off the farm, we will all have to watch our weights."

Berginski says grain hauling will shift to eastern facilities as construction starts. How much grain is hauled depends on member/owners. "We have two wheat trains scheduled in June and two in July," he says.



New semis and trailers were invaluable this spring. However, dedicated drivers putting in long hours made the real difference. Investing in both paid off for Legacy Cooperative member/owners.

ROLLA C-STORE ON TRACK FOR OPENING

Rolla's new convenience store will soon be open for business. It will carry the usual convenience items of snacks, soft drinks and coffee drinks and pumps for refueling vehicles. Like the old store, customers will also find larger menu items.

"The new store will feature Cooper's Chicken," says John Lovcik, Legacy Cooperative Energy Manager. "Cooper's is known for their broasted chicken, as well as a full set of sides, such as mashed potatoes and gravy."

Other food selections will include Hunt Brothers pizza, as well as many other breakfast and lunch items. Customers will be able to refresh themselves with self-serve, Fresh Blends smoothies. The machine serves up a 100 percent natural ingredient smoothie in less than 60 seconds.

"We have a lot of new staff in Rolla and hope you will have patience with them as they get accustomed to the new store," says Lovcik.

The new store won't carry as many hardware items or offer vehicle maintenance and tire repair. However, those products and services, along with a great selection of bolts and pipe fittings, will continue to be available at the old store for now.

"Once the new store is up and running, we'll be looking at options to combine the old store products and services with those of North Central Tire," says Lovcik.

Lovcik reports a very successful spring sale of filters and lubricants. "I want to thank our member/owners," he says. "Saving money and doing business with the cooperative is good for everyone." he says.



The new store at Rolla will open soon, ready to serve Legacy Cooperative member/owners, employees and the local community.

Cost savings are still available by ordering lubricants in bulk or by tote. "Give us a call and we can give you a quote or suggest programs that will help with the cost," says Lovcik. "We have 70 or 120-gallon totes available. Two stack systems, with one tote holding hydraulic oil and the other holding engine oil, have proven popular."

Lovcik encourages member/owners to consider installing tank monitoring systems. Chris Poitra is promoting them to member/owners and installing them on propane as well as fuel storage. If interested, Lovcik suggests giving Poitra a call (701-477-3127).

Fuel supplies continue to look good, reports Lovcik. Prices dropped in May. Late June/early July is usually a good time to fill up for harvest and fall needs. Suppliers don't anticipate any challenges with inventory, however, as history has shown, that can change overnight.

"We did good business with member/owners utilizing contracts for delivery this spring and into the future," says Lovcik. "Having prices locked in is a good risk management tool."

Watch your mail for fliers on propane summer fills. Although propane prices stayed pretty flat all winter, last year's

summer fill was still the best price of the year, notes Lovcik.

"I don't think we've ever had a better price than the one offered at summer fill," says Lovcik. "We also have contracts available to lock in your propane price for the winter. While the cash price can dip below the contract price, as it did the past couple years, over a five-year average, contracts work out."

While it is old news now, the farm repair tire truck was back in service in time for the spring season. "It had been out of commission as we searched for parts," says Lovcik. "It needed a transmission replacement, and parts can be hard to find."

Take advantage of cost savings by ordering lubricants in bulk or by tote. Choose from 70 or 120-gal. totes and stack them for convenience.



While much emphasis has focused on the new Rolla C-Store, new products will also be showing up at other Legacy Cooperative C-Stores later this summer. "This past April, C-Store staff members went to a food products show sponsored by our main food supplier Henry's," says Lovcik. "They liked some of the flavors and snacks being showcased. Look for them to appear in the stores in July and August."

NEW VARIETIES ARE IN THE GROUND, DATA TO FOLLOW FOR NEXT YEAR'S SELECTION

With this year's seed in the ground, it's not too early to start thinking about 2025, advises Trevor Darling, Legacy Cooperative Seed Manager.

"Last year was a poor year for gathering data, but this one is starting off well," says Darling. "The new corn variety 2324 was in very short supply, only about 40 bags. We spread it around to see how it does in fields."

Several new soybean varieties introduced in 2023 struggled with the weather. Darling is looking forward to seeing how they do this year.

Without good local data on new soybean varieties, Darling and the seed sales staff

advised member/owners to plant from three to five varieties with maturities ranging from 009 to 03.

"If it is a perfect year, we know that later maturities will yield the best," says Darling. "If we get an early frost, the earlier varieties will do well. We will see what the year brings, but it is always good to vary it up."

Legacy Cooperative seed sales went well this year with only a few surprises. "Pinto bean seed sales were about double normal sales, while wheat was down some," says Darling. "Corn stayed even due to price, and soybeans seed sales were up. Some canola acres went to pinto beans."

A continuing trend of farm-direct seed shipped to the farm by the supplier continued. "We are able to offer a discount, as we don't run the seed through our handling and storage system," he says.

Darling gives credit for the smoothly run season to his staff and member/owners. "We understand that every farm has different needs and soils, and we need to place the right seed with the right grower," says Darling. "We have good relationships with a lot of our member/owners. When they share the number of acres going into each crop and their expectations and goals, we can match them up with the appropriate seed."

MAKING LEGACY COOPERATIVE SAFER

As assistant Safety & Compliance Manager, Stephanie LeVeque's job is making Legacy Cooperative safer for employees, member/owners and the community at large. LeVeque is a relatively new employee and admits to still learning about co-op life.

"I enjoy going out to locations and getting to know the workers and member/owners and getting to understand their needs," says LeVeque. "I try to make their world better."

Sometimes that can mean making a quick fix. LeVeque noticed workers needed step ladders to look into a bin. She suggested getting a platform built. Her husband, Legacy Cooperative millwright Jared, made one. Problem solved.

"Without it, an employee might have grabbed a pallet to climb up on," says LeVeque. "It would be unstable, and they could fall and be injured."

The LeVeques make a good pair when



Stephanie LeVeque stands by a defibrillator recently installed at the Bisbee agronomy center. Each Legacy Cooperative community now has one in place, thanks to a recommendation by a Safety Committee member.

it comes to making work areas safer. As part of her duties, Stephanie and the Legacy Cooperative Safety Committee walk around locations, looking for potential problems.

"Jared is the guy who does the repairs, often suggesting solutions," says Stephanie. "He also brings us back to reality on what can't be done."

LeVeque describes committee members as amazing to work with. In particular,

she appreciates the wealth of knowledge contributed by Vic Risovi, Cando Agronomy, Safety Committee President and Compliance and a volunteer firefighter.

LeVeque has spent 12 years with the North Dakota National Guard. She likens co-op management to military command teams. "The labels are different, but they have the same feeling of duty and responsibility," she says. "However, Legacy Cooperative is much more family oriented."

LeVeque emphasizes the importance of the little things when it comes to safety. Much of it is equally applicable to member/owners.

"I remind staff to get out of their vehicles and take a breath," she says. "Keep water with them and stay hydrated. I have been traveling out to the fields with the fuel trailer to bring food out to the applicators and see how they are doing."



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ACCIDENTS HAPPEN, HOW WE REACT MATTERS

When a nearly new Legacy Cooperative fertilizer spreader struck a drainage ditch, word spread fast. Images of the severe accident were not far behind. Social media was seen at its best and at its worst.

"The kind words, sympathy and concern shown by many of our member/owners and others in the community were appreciated greatly," says Sean Slowinski, Legacy Cooperative CEO. "Sadly, those weren't the only reactions. Unfortunately, there are always those who think someone else's tragedy is something to laugh at or ridicule.



"Insurance will cover our loss, and, thankfully, the operator will fully recover," he says. "The latter is what counts. However, how people reacted counts too."

Slowinski points out that prior to social media, such remarks were usually between two or three people. Today they become very public and permanent. He notes that sarcastic words can be painful for the victim, their family and friends.

"We need to remember that when something like this happens, it happens to a member of our community," says Slowinski. "It could have been a son or daughter of a member/owner or a member of our staff. Let's all slow down a bit and try to ensure such an accident or worse doesn't happen again this cropping season."

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