



Ag Biz Briefs

Spring 2015

Enhancing Our Abilities and Strategies to Service Our Growers

Tim Krausman, VP of Agronomy

Currently we are a couple days away from spring application of fertilizer. If all goes well we will be off to a good start to get our large spring under way in a timely manner. Planting will progress extremely quickly and the lack of fall application will add to the work load for the spring. We have spent a great deal of time trying to prepare ourselves for this opportunity. One of the ways we have prepared ourselves is by adding or updating facilities. We built a new fertilizer shed, added NH₃ storage, and are just finishing a new liquid shed in Waukon. Our new chemical and seed shed in Ellsworth will be utilized for the first time this spring, along with the seed shed in Oran. We also added NH₃ to our Packard location which will allow us to service our customers and prospects in that area better. We have also been diligent in analyzing equipment needs in locations and where we can maximize the use of each machine we have throughout the entire company.

Like all of us know, the grain markets aren't as favorable this year as they have been the past couple of years. This makes the ability to enhance yield by a couple of bushels here and there all the more important. IAS continues to enhance our abilities and strategies to service our growers and attain the most profitable acre possible. We had a meeting this week to educate growers on our sustainable agriculture initiative. This initiative keeps grower profitability at the top of mind, while utilizing good environmental practices through



the process. We believe the only way to make agriculture truly sustainable is when growers can make a profit with practices associated.

When looking at the correlation of fertilizer prices and the grain markets it appears there will be a softening that happens after spring. I wish I knew how much and when prices will change, but I know that we will continue the need to grow better crops to ensure feeding the world. Fertilizer can be a very cheap input when it comes to down corn and reduced yields due to lack of nutrients. I would also like to remind everyone to ensure the utilization of the correct rates of herbicides and modes of action to minimize resistance and maximize control of weeds. I can remember all of the weed pressure that was in the fields last growing season.

Please make sure as we work to put our crop in the fields and apply the inputs needed that we do it safely. Take an extra few moments to slow down and ensure we do things as they should be and not cut corners that can put you or someone by you in a compromising situation.

Thanks for your business and we look forward to spring.

IAS Board of Directors

Randy Blake, *President*
Paul Cook, *1st Vice President*
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Spring Update

Rick Vaughan, CEO



Spring has arrived and we are looking forward to a great planting season and planning for a bountiful harvest. Personnel and equipment are in the fields as we prepare this newsletter. We look forward to providing you with accurate information and great service this spring season.

Innovative Ag Services's (IAS) year to date financial performance is tracking very similar to last year through February, the first 6 months of our August fiscal year end. We are planning for a busy and successful spring season. We anticipate a busy summer in grain movement due to the volume of corn and beans still stored on the farm and in town. Our feed volumes continue to grow. We are investing in our milling capacity and delivery efficiency. These additions will provide value for our feed customers and efficiency for IAS. Our LP volumes were closer to normal this past winter season versus last year's cold winter. Our diesel volumes are growing. The lower oil values are a welcome relief for our business and will help with every expense line item we have. Last month we distributed a very sizable amount

of member deferred regional equity. You can be proud of the IAS board's discipline in revolving past profits to our members in a consistent and timely manner.

The IAS Board of Directors invested 5 days including travel in March to sit down and work through the challenges and opportunities facing Innovative Ag Services. The continued consolidation at the farm gate, the retail level, the national level and the multinational level remain an important focus for us to understand, evaluate and adapt to. We invested time in all of our divisions - operations, feed, HR, accounting and IT, energy, agronomy and grain. All division heads presented their current updates in addition to a 3 year outlook of future operations, demands and challenges in each of their areas. All divisions are working to grow and enhance their area service offerings for our customer/owners. We also invested time looking at comparative financial performance for the IAS peer group in Iowa. It is important for the board, staff and all employees to understand the financial and operational performance of IAS relative to our peer group of retail suppliers. It is also important that IAS works hard every day to improve our comparative financial and operational performance relative to our peer group of retail suppliers.

We invested a considerable amount of time discussing the fertilizer supply and demand dynamics around the world and in the US. We were fortunate to have in attendance and hear firsthand

from a major fertilizer manufacturer and a major fertilizer distributor about the drivers of the nutrient markets. Additional supply is coming on line around the world and the US which will help with some of the pricing volatility. The need for better forecasting will increase. Implementing environmental impact programs like SUSTAIN will be very important for growers and retailers. Precision Ag programs and technologies will continue to grow, especially with nutrient management decisions. Big data programs will continue to grow and be implemented. All of these subjects will be important for our customers/members as well as for IAS. We were also fortunate to hear from a multinational grain company and spend some time discussing the world outlook of the major grain related commodities. The commodity dynamics are also a hot topic and will continue to be no matter which way Mother Nature decides to go with weather this summer. Corn and bean prices are headed into their spring seasonal time frames. If the marketing forecasters are right, there will be opportunities to price the balance of last year's grain and this upcoming year's grain at better levels. It will be important to stay current in the market this spring and take advantage of the seasonal trends. All IAS locations are ready to assist you with these markets and can place offers for you to take advantage of these moving markets through spring and summer.

Have a safe spring and Thanks for your business!!



Finalizing Seed Placement and Nitrogen

Zach Fagan, East Region Seed Sales Specialist

With planting very near or underway we still have the time and opportunities to get your seed placement to where the seed was intended to be placed. With the help of your local agronomy advisor and the many tools we have available, including the Winfield's R7 Tool, Syngenta's placement tool, and the experience of all the agronomy advisors, we can help you in placing seed corn or beans on every different type of field from Wisconsin to Central Iowa. These tools help in placing the seed brands we offer as well as some major competitors to see exactly which hybrids respond to different soil types, rotations, nitrogen rates, and populations to make it perfect for your different farms and fields.

When planting is complete, a major topic of nitrogen will be addressed as it is every year because there was a large down pour or 2 weeks of soaking weather. Do I need to be side dressing and how much? Fortunately the toolbox our agronomy advisors use is expanding again!

I always start with looking at each individual hybrid on a field by field basis and determine using the R7 tool if it has a major response to extra nitrogen and if it does respond well to more nitrogen, the next question is how much? Like I said before, we have more tools than ever which include the 360 Yield Center's Soil Scan technology and the Y-drop applicators. The Soil

Scan is a mobile nitrate tester that can be brought to your fields and pull samples and get instant results to help determine how much N if any to apply. If it is later in the season the Y-drops we have equipped on our custom application equipment can apply nitrogen where it is most useful right next to the row through tassel time. So please get with your local agronomy advisor and start asking the questions now to get the most out of your crop so we can to maximize your profits. Be safe this spring.

Market Insights

IAS	3/31/2015	2/27/2015	3/31/2014	2/27/2014
CORN	3.53	3.71	4.86	4.38
SOYBEANS	9.35	9.85	14.14	13.38
SOYBEAN MEAL	362.60	399.00	509.10	503.00

Another Spring...Another Story

Ryan Ruzicka, Agronomy Advisor

It's becoming that time of year again, the birds are chirping and the cows are ready to get back out on the nice green pastures. Each spring the Ag community is full of hope and optimism, we have all studied up during the winter trying to figure out what the new latest and greatest products out in the field are going to be and it's finally time to put those products into play. Planting is where we set the stage for the whole growing season. With that we need to remember a few simple guidelines.

Field conditions- Every year there are fields that people went into too early. First we must make sure the soil isn't too wet and sticky as side wall compaction will cause the roots to mowhawk, hindering plant stability and nutrient uptake. Also hard spots in the field can greatly affect the crop emergence.

Soil temp- We want to see that the soil temp is 50 degrees or above for corn and 54 degrees or above for soybeans. You can find a map of the state with the estimated average soil temperature by county by going to the IAS Website and at the bottom right hand corner of the website is a link called AG weather. You can get all kinds of information there. Here is the direct link though for the soil temperatures. <http://mesonet.agron.iastate.edu/agclimate/soilt.php>

By planting in cooler soils we let the seed sit dormant and it becomes more exposed to disease and insect pressure. Also look at the forecast for a day or two in advance, as a cold rain a day or two after planting can also hinder the seed and cause problems such as dampening off.

Seed selection- If you are looking to go out and start planting right away make sure that you are planting the right seed in those conditions and not just

your longest hybrid. Looking at scores for emergence and seedling growth can be good indicators of how the seed will handle the conditions.

Remember there is no such thing as a perfect year in farming; all that we can do is try to mitigate the risk the best we can, and pray for good weather. If you have any questions call up your local Innovative Ag Services agronomist and have them go through it with you.





LIQUID STARTER FERTILIZER — Why or Why Not?

Dustin Haberkorn, Agronomy Advisor

Starter fertilizer may not be an easy practice to put in place if you are not already utilizing it. Provisions need to be made for special attachments, more cost, and tending tanks just to name a few. You may be wondering, why do many growers make it a part of their regular planting practices?

First, with starter fertilizer, a little goes a long way, because it is placed near the seed at planting, it is accessible to a young root system. A concentrated supply of nutrients within easy reach of the root system increases the chances that roots can continue to take up nutrients without running short. Due

to the strategic placement and timing, starter fertilizers are one of the more efficient applications made.

It has been easily seen time and time again that soil fertility varies across the field and so does crop response to applied nutrients. Applying a small quantity of nutrients across the entire field as starter fertilizer helps manage this risk. Nutrients in starter fertilizer provide synergistic effects and the lower acidity has been shown to increase P (phosphorus) uptake by young plants. Phosphorus also supplies needed energy early in the plant for the active uptake of K (potassium).

Many would argue that when striving to achieve consistently higher yields, a starter fertilization program should be seriously considered. Starter fertilizer does provide some level of insurance against nutrient variability, adverse growing conditions, and is a management practice with a rather extensive body of scientific studies supporting its use. So, why NOT use a liquid starter this year? Stop in your local Innovative Ag Services and your agronomy advisor will gladly help you get the ball rolling this spring utilizing a liquid starter. Thank you for your continued business, have a safe spring.

Feed Progress in 2015

Mike Duncomb, VP of Feed

We are off and running in 2015 with the spring season just around the corner. We are also half way through our fiscal year with your feed department having a good year in both volume and profitability with all species areas showing increases. The Innovative Ag Services (IAS) Feed Team continues to build on our internal benchmarks to measure our progress both operationally and in sales. A brief overview of our focus areas follows:

At our mill facilities, we have been preparing and are nearing implementation of mill upgrades in Elkader. The addition of a batching system and micro table will enhance the efficiency of this facility. In the near future, we will be working to integrate our mill systems into our company information system improving the flow of information. Finally we are working to improve our quality management systems in our feed mills by reviewing and enhancing standard operating procedures and processes to provide the quality products you expect and comply with the upcoming food safety standards.

The IAS Sales Team continues to work on growing business in an environment of lower margins and profitability. All livestock markets are down significantly from where they were over the past couple of years with considerable volatility in input markets and meat, milk, and eggs. We feel it is important to have the best information to make decisions especially with the current markets and are working diligently to

provide information in the beef area through feedlot records (Dave Rueber has provided a summary of last year's information in this Ag Biz). Our dairy team is gathering information on calves and heifers to make sure we are hitting growth targets and the swine team is working diligently building our Meta

Farms data base. All specie areas are working to build strong information bases to make the best decisions.

Your IAS Feed Team will continue to work on being efficient operationally along with building strong information systems.





Introducing LucraFit™ Technology

Steve Wagner, Livestock Production Specialist

A new mid swine nursery nutrition technology development called LucraFit™ has recently become available to the Innovative Ag feed program. The technology was developed by Purina Animal Nutrition to address volatility and the trend of continued price increase in milk based ingredients used in mid swine nursery diets. Through applied research, a combination of key nutritional components makes up the LucraFit™ technology. The end result was a program that lowers cost but maintains optimum performance as well as these other key benefits.

For more information on this latest technology please contact your nearest Innovative Ag Services Swine sales representative.

FEATURES	BENEFITS
<ul style="list-style-type: none">• No need for milk ingredients in the diets• Improved feed flow• Supports gastrointestinal function• Lower cost of feed for the nursery• Research Based	<ul style="list-style-type: none">• No milk ingredient price volatility in these diets• Reduced bin and feeder hang ups• Positively supports gut health, immuno-competence and digestion of nutrients• Lower cost with optimal performance• Performance and cost based research

What did we see in 2014?

2014 Feedlot Closeout Analysis from Feedlot Vision

David Rueber, Beef Production Specialist

2014 Information

- Profit, profit & more profit
- 928 Lots of cattle submitted this year
- 162,190 head
- This broke down into 114,897 steers, 25,064 heifers, 10,636 Fed Holsteins, 5,925 head in mixed sex pens and 5,668 head of back grounded cattle

2014 vs. 2013 Highlights <700 lbs. steers

- \$25.54/cwt increase in purchase price in 2014 vs. 2013
- \$75.05/cwt more in purchased price vs. 2010
- 47 lbs. heavier start weight (616 lbs. vs. 569 lbs. in 2013)
- -\$26.89/cwt drop in feed cost in 2014 vs. 2013
- Average loss of =-\$52.94/head in 2013 vs. +\$309.37/head for '14

2014 vs. 2013 Highlights 700-800 lbs. steers

- \$27.99/cwt increase in purchase price in 2014 vs. 2013
- \$67.32/cwt increase in purchase price vs. 2010
- 7 lbs. heavier start weight
- -\$29.54/cwt drop in feed cost in 2014 vs. 2013
- Average loss of -\$19.90/head in 2013 vs. +\$314.84/head for '14

2014 vs. 2013 Highlights 800+ lbs. steers

- \$29.20/cwt increase in purchase price 2014 vs. 2013
- \$65.47/cwt increase in purchase price vs. 2010
- -10 lbs. in start weight but only -3 lbs. in finished weight
- -\$29.31/cwt drop in feed cost in 2014 vs. 2013
- Average of \$7.12/head in profit in 2013 vs. +\$255.60/head for '14

2014 vs. 2013 Highlights <650 lbs. heifers

- \$15.79/cwt increase in purchase price 2014 vs. 2013
- \$65.37/cwt increase in purchase price vs. 2010
- -10 lbs. in start weight but +5 lbs. in finished weight
- -\$27.40/cwt drop in feed cost in 2014 vs. 2013
- Average of loss of -\$73.60/head in 2013 vs. +\$290.38/head in '14

2014 vs. 2013 Highlights >650 lbs. heifers

- \$23.94/cwt increase in purchase price 2014 vs. 2013
- \$60.66/cwt increase in purchase price vs. 2010
- Only -1 lbs. difference in purchase weight and -6 lbs. in finished weight
- -\$29.92/cwt drop in feed cost in 2014 vs. 2013
- Average loss of -\$12.54/head in 2013 vs. +\$270.80/head in '14

2014 vs. 2013 Highlights Holstein steers

- \$2.80/cwt DECREASE in purchase price on cattle <600 lbs.
- \$12.10/cwt increase in purchase price on cattle >600 lbs.
- Little to no change in finished weights vs. 2013
- \$16.31/cwt to \$34.39/cwt drop in feed costs in 2014 vs. 2013
- -\$8.75/head to -\$66.29/head losses (averages) in 2013
- +\$288.02/head to +\$333.88/head profit (averages) in 2014

2014 vs. 2013 Highlights Mixed sex pens

- \$11.51/cwt increase in purchase price on <700 lbs. cattle
- \$25.23/cwt increase in purchase price on >700 lbs. cattle
- 27 lbs. increase in finished weights on <700 lbs.
- -14 lbs. decrease in finished weights on >700 lbs.
- \$21.05/cwt to \$28.13/cwt decrease in feed costs 2014 vs. 2013
- -\$47.79/head to -\$83.37/head losses (averages) in 2013
- +\$148.17/head to +\$304.00/head profits (average) in 2014

Visit www.ias.coop under the News tab to see the full Feedlot Closeout Analysis from Feedlot Vision.

Year	2010	2011	2012	2013	2014
Steers 800+ lbs.					
Lots	265	253	286	415	359
# of cattle	48,408	44,962	53,233	75,426	62,327
Purchase price	\$100.26	\$117.49	\$137.70	\$136.53	\$165.73
Pay weight in	873	876	876	889	879
Sale pay weight	1398	1398	1435	1447	1444
ADG	3.4	3.4	3.56	3.48	3.53
Days on feed	153	154	159	161	160
Dry matter Feed:Gain	7.49	7.56	7.17	7.48	7.41
Feed cost/cwt	\$53.11	\$77.58	\$86.80	\$96.05	\$66.74
Drug cost/cwt	\$2.00	\$2.11	\$2.38	\$2.51	\$2.09
Yardage cost/cwt	\$8.48	\$8.62	\$8.28	\$8.48	\$8.37
Interest cost/cwt	\$3.73	\$1.14	\$0.85	\$0.93	\$5.00
Non Feed Cost/cwt	\$13.99	\$11.54	\$10.98	\$11.20	\$11.02
Total cost/cwt	\$66.12	\$89.33	\$97.63	\$107.25	\$77.76
Breakeven \$/cwt	\$87.71	\$107.88	\$123.47	\$126.26	\$133.28
Death loss	0.74%	0.73%	0.54%	0.67%	0.58%
Net sale price/cwt	\$93.06	\$114.07	\$123.57	\$126.65	\$150.71
Profit/loss	\$77.34	\$92.51	\$2.44	\$7.12	\$255.60
Heifers >650 lbs.					
Lots	126	127	175	188	108
# of cattle	20,029	18,550	28,297	30,580	17,814
Purchase price	\$98.27	\$115.29	\$135.39	\$134.99	\$158.93
Pay weight in	746	763	755	772	771
Sale pay weight	1254	1245	1284	1291	1285
ADG	2.97	2.97	3.11	3.05	2.99
Days on feed	167	162	171	173	176
Dry matter Feed: Gain	7.77	8.1	7.41	7.84	7.96
Feed cost/cwt	\$55.76	\$87.38	\$91.44	\$101.94	\$72.02
Drug cost/cwt	\$2.42	\$3.33	\$3.70	\$3.24	\$2.34
Yardage cost/cwt	\$10.09	\$11.23	\$9.76	\$10.18	\$10.05
Interest cost/cwt	\$3.83	\$1.20	\$1.20	\$1.35	\$5.30
Non Feed Cost/cwt	\$16.72	\$16.24	\$14.26	\$13.96	\$13.51
Total cost/cwt	\$71.20	\$103.96	\$105.70	\$115.89	\$85.53
Breakeven \$/cwt	\$88.10	\$110.36	\$125.13	\$128.12	\$131.36
Death loss	1.27%	1.07%	1.04%	0.77%	0.85%
Net sale price/cwt	\$94.85	\$113.64	\$123.86	\$126.97	\$152.08
Profit/loss	\$84.86	\$50.88	(\$13.16)	(\$12.54)	\$270.80

Raising Dairy Heifers: Learning from the Beef Industry?

Megan Peters, Dairy Production Specialist

Traditionally, the mentality of raising heifers from birth to breeding has been to do so in the most economical way possible. Now with the milk price declining, it is easy for producers (and consultants) to slip back into that mentality as a way to cut costs. However, we know the research is out there to promote Full Potential or Accelerated calf and heifer programs. So why do we still question the science? The answer: cost per head per day.

As we think about the costs associated with heifer raising, it is easy to compare feeding programs based on a cost per ton of feed or a cost per head per day. However, when we really begin to think about replacement heifer programs, we really need to think about the end result of our program. We ultimately want to get heifers into lactating string sooner, and make more profitable cows once they are in the milking herd. So, just as the beef industry does, why don't we think of these heifers as an investment? The beef industry is constantly comparing programs on a cost per pound of gain, and making sound business decisions for their operation that is getting animals to market sooner. Why don't we mimic this thought process, and get our heifers moving instead of feeding them cheaper feeds and keeping them in the "non-productive" stage longer?

I have been learning about Full Potential feeding programs since I started my career with Innovative Ag Services. Land O' Lakes Animal Milk as well as Purina Animal Nutrition have been explaining the research behind these types of programs and how they benefit the dairies. Additionally, there was a great article in the Dairy Herd magazine that goes right along with this theory. The article quotes, Robert Corbett, D.V.M. who is also, president of Dairy Health Consultation in Provo, Utah. He states, "Heifers are often fed the cheapest feed, and provided the minimum inputs on facilities and labor until they approach the time of calving. What if we instead treated them as an investment, evaluating costs per pound of lean muscle gain, rather than as a set of daily expenses?" This will allow you to provide the heifers to reach their "normal biological growth and/or genetic potential," sooner. Additionally, he says "Young calves are

more efficient at converting feed to body weight, and this should be taken advantage of when the calves are still on milk." By feeding an accelerated calf and heifer program, we can begin breeding heifers around month 10, 11, or 12, which is faster than traditional programs. What age do your heifers enter the milking herd?

The thoughts of Robert Corbett bring up a great thought process that should be considered on your farm. Are we evaluating our replacement heifer program based on cost per ton, or are we thinking more as the meat/beef industry does and comparing programs based on performance?

Let your Innovative Ag Services specialist help you evaluate your current calf and heifer program, and see if there are ways to get your heifers moving into the milking herd sooner!





Grain Update

Ron Barkema, VP of Grain

The corn market has been trading in a very narrow 30 cent range for nearly 3 months now. I went back and looked and the last time we spent 3 months trading in that narrow of a range was back in January, February, and March of 2010. The lack of volatility is good at times, but the big negative is that it lacks marketing opportunities. Corn and beans are now trading at levels below cost of production. With this type of marketing environment something obviously needs to change.

MARCH 31st USDA REPORT

The much anticipated USDA March Stocks and Plantings report was out and it initially has pushed corn values lower with a higher stocks number. The stocks number came in at 7.745 bln. bushels with the average trade guess at 7.609. The soybeans stocks came in at 1.334 bln. bushels and the average trade guess was 1.346. US corn plantings came in at 89.199 mln. acres which was slightly higher than the average trade estimate of 88.731. Soybean plantings were estimated at 84.635 mln. acres which were slightly lower than the trade guess of 85.919 mln. acres. If 89.2 mln. acres of corn holds true it will be the 3rd consecutive year that corn acres are

lower and the lowest acre number since 2010. If soybean acres hold true at 84.6 mln. acres, it will be a record high and up 1% from last year. Corn stocks coming in 136 mln. bushel above the guess will suggest that the feed use number is overstated by 300 plus mln. bushels! The higher stocks number on corn with a higher than expected acre number leaves the corn more comfortable as we move into the planting season. The trade will focus more on weather now that we have this March stocks report out of the way. Bottom line is that both corn and bean carryout numbers are in a comfortable area and will need a weather situation to create some market volatility. Stay Tuned!!

I would like to thank all of you for your past and current grain business. Innovative Ag Services (IAS) offers many reasons for you to continue marketing your grain through us. We have an excellent working relationship with all end users throughout the IAS trade area. We continue to offer you a published direct ship bid into most of those facilities. As you all are aware IAS had an excellent 2013/2014 fiscal year financially and we were able to distribute .045 cents per bushel on all

bushels marketed through Innovative Ag. Marketing your bushels through the company that you own is very important as it not only allows you to gain financially through potential dividends but more importantly supports the infrastructure that supplies you access to the river and rail markets. Those markets continue to play a key role in supplying the leverage you need to keep the ethanol plants and feed mills in check with their daily prices. Also, with IAS's strong balance sheet it gives you the comfort and satisfaction that you need when applying bushels to Price Later, Defer Payment, and Extended Price contracts. We also offer a very competitive grain policy. Over 58 million bushels of storage capacity, a full line of hopper trucks, flexible contracting options to help manage your risk with your individual farming operation and an experienced grain team to help with all your marketing along the way.

As always, give us a call when you are ready to sell that next bushel. We will make every effort to secure the best value for your grain.

Thanks again and have a safe spring planting season.

Operational Update

Brian Kramer, VP of Operations

The Operations Department has been very active over the winter with spring preparations, capital projects, and personnel development. From my perspective there never seems to be an “off season”; rather a different kind of busy!

The location teams across the company have had strategic planning & training in how to deliver the ultimate customer experience. Equipment, facilities, logistics, safety, and customer service to mention a few were addressed. The winter months lend us the opportunity to devote time in evaluating ourselves and finding ways to improve upon our core strategies of our purpose statement.

As we enter into the spring agronomy season, several new capital items will be in place to better serve your needs.

Three row crop applicator units were replaced in Central City, Elma, and Oran. These units have additional capacity over their replacements, some combo capability to apply dry fertilizers, and one has adequate crop clearance specs to apply later season applications of UAN using Y-drop technology as part of our Sustain program. Last fall your cooperative replaced two new dry units as well. One of which will allow side dress applications of urea later this growing season.

Three new agronomy facility projects will be ready for spring as well. In Oran, a new 52' x 120' seed warehouse was constructed replacing an older structure. Ellsworth and Waukon both have new liquid facilities that

will be in use this spring. Each facility has containment and load out features for bulk liquid fertilizers and crop protection products. Seed warehousing was also incorporated into the Ellsworth structure.

Improvements in feed milling are underway as well. Elkader's feed mill will soon become automated with the installation of WEM Automation software and controls. This automation will control batching of blends through the mixing system and routing of blended feeds into overhead load out bins. A micro ingredient system is also being added which will incorporate those smaller hand added items automatically and with calibrated accuracy. These additions will make this facility more efficient in production of tons and labor costs associated with operating.

Two new feed delivery units will soon be on the roadways transporting bulk feed rations from the Hopkinton and Lawn Hill facilities. The (2) four axle chassis units will have 18 ton feed bodies and will replace older existing units.

The year 2015 will once again bring some speed and space improvements to your cooperative's grain facilities.

The Faulkner location will have additional storage capacity constructed. A 105' diameter grain bin with a capacity of 710,000 bushels will be constructed complimenting the infrastructure improvements done at that facility in 2013.

Two 105' diameter storage bins totaling 1,168,000 bushels of storage will be constructed at the Waukon location. In addition, a second grain dryer will be incorporated into the existing infrastructure ramping up their total drying capacity from 3,500 bph to 8,200 bph (based on 5 points removal). Additional legging capacity is planned as well allowing growth in its receiving bushels per hour. This facility's rapid growth since its initiation in 2010 has warranted these additions.

The Monona location's grain facility is receiving a major facelift! The facility once had very slow receiving and drying capacity as well as smaller bins that were very labor intensive in filling and emptying each season. Two grain bins will be constructed; one 48' diameter wet bin of 136,000 bushels, the other a 105' diameter storage holding 691,000 bushels. These two structures coupled with a pair of 5,000 bushels overhead load out bins will replace 14 smaller grain bins for a net gain of nearly 600,000 bushels of space for the facility. Two new receiving pits will be constructed providing 27,500 bph legging capacity for the facility. A new 4,700 bph tower dryer will also be added rounding off the improvements.

These capital improvements demonstrate your cooperative's commitment to our purpose statement's core strategies of “Exceptional Customer Experience” and “Continuous Improvement”. Thank you for your continued patronage and have a safe spring season!

Energy Department

Randy Swenson, VP of Energy

Hello from your man with gas!

Another winter has passed us by and the farmers are preparing to put in another crop. The years certainly do not slow down as we get older! One thing that hasn't changed as we get older; we will never be able to control the energy markets!

This year has started with a positive note. It's been several years since we have seen these low prices. Although, recently Crude Oil was flirting with \$42.00 but couldn't hold the support of \$43.00 and prices have made a pretty big charge to settle over \$50.00. Saudi Arabia and Yemen's issue have been the biggest catalyst to push crude higher. Long term, I believe it could be a struggle to stay much above \$50.00 as the world is swimming in crude oil right now.

As we move into spring, local diesel and gas prices should stay in a range similar to where they are priced right now. Once the farmers' wheels begin to turn and demand picks up at the local terminals, we could see the prices begin to move higher. At the current time, basis is in negative territory and depending on supply during the busy spring, it may move higher into positive territory. Diesel could be the driving force for gasoline. Basis is under for it also, but it may latch on to the shirt tails of diesel and follow its direction. The local press never does gas prices any favor as we get closer to summer. They will report that the summer driving season is coming and it's just another reason for basis to move up. We still have plenty of gas inventories and demand has been down, so other than bullish technicals, gas should be a flat line. Time will tell.

Current propane contracts will expire April 30, but understand that if you have gallons left on contract and there is room for a fill or a partial fill, our drivers will be around delivering in April. A commitment on a signed contract is an agreement between both parties to fulfill.

Give your local location a call to ask about contracting for next season, as we are currently offering them. Propane is a commodity like any other and prices may change day to day. If a price fits in your budget, lock it in. Right now, we are teetering on prices going down or up. We will still set a fixed price for next season and send out contracts to those that haven't locked them in.

Thank you for you past business and look forward to servicing you in the future. Have a safe spring!



Chemical Safety

Thatcher Block, Director of Safety and Compliance

As the spring season begins to take off in full force, many of you will be applying anhydrous ammonia. Anhydrous ammonia is an important source of nitrogen for crops. The improper handling of NH₃ can have tragic effects. The most common injuries are burns to your eyes and skin. Personal protective equipment (PPE) needs to always be utilized. PPE will reduce the number and severity of injuries and illnesses. Non-vented goggles, rubber gloves with thermal lining, lightweight rubber suit should be standard PPE

when handling anhydrous ammonia. Always use extreme caution when handling the hose end valve to prevent accidental discharge. Ensure to bleed hose coupling before disconnecting and use extreme care when cleaning plugged knives. ALWAYS have emergency water available if exposed to anhydrous ammonia.

Crop protection chemicals are vital to prevent unwanted weeds, insects, rodents, and diseases. Chemicals like these must be handled with extreme

caution to reduce exposure. The most important element with any chemical is always read packaging labels. Chemical labels include information on the proper use, handling, storage, and first-aid information. Safety Data Sheets (SDS) contains health hazard data, spill or leak details and handling information. You must ensure to wear the proper PPE required by the label. Everyone involved can benefit by using the appropriate PPE when the job and its hazards call for it. Have a Safe Spring Season!!





2016 IAS Calendar Photo Contest

Get out your cameras and show off your creative side with Innovative Ag Service's 3rd Annual Calendar Photo Contest!

Want your photo showcased in our 2016 calendar? Then send in your photos that evoke the heart of the cooperative lifestyle. Share with us, and your fellow coop members, the quiet scenes and breathtaking vistas that define our cooperative world, as seen through your eyes.

Whether it's a scenic landscape, a snapshot of everyday life or an action photo we invite you to share your images. Winning entries will be featured in the 2016 Calendar.

Photo Contest Details:

- Photos must be submitted by September 4, 2015.
- The Photo that is selected for the 2015 Calendar front cover will receive a \$100 gift card.
- Cooperative members, directors, employees and their family members are eligible.
- Photos may be of any appropriate subject or scene, but must be taken within the IAS territory.
- A complete entry form must accompany each photo.*
- The member must have rights to the photo. A photo release form must accompany any photos that include people.*
- It is recommended that digital photos are submitted and that the files is at least 300 dpi and 12" X 9" or larger.
- For complete photo contest rules and eligibility please visit www.ias.coop and click on the photo Contest News Article.

* All forms can be found online under the Photo Contest News Article.



Iowa Locations

Ackley	Hopkinton
Alden	Hubbard
Alta Vista	Independence
Andrew	Lawn Hill
Austinville	Manchester
Cascade	Monona
Center Junction	Monticello
Central City	Oran
Cleves	Owasa
Elkader	Packard
Ellsworth	Union
Elma	Waukon
Farley	Williams
Faulkner	Winthrop
Garden City	
Geneva	

Wisconsin Locations

Cuba City
Hazel Green
Platteville

Store Hours

Monday thru Friday
7:30am to 4:30pm

Saturday
All locations hours are varied with
the season check with your local
IAS location to confirm.



visit our website:
www.ias.coop

Growing Relationships to Maximize Success!®