



INNOVATIVE AG SERVICES CO.

GROWING RELATIONSHIPS TO MAXIMIZE SUCCESS®

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WINTER/SPRING 2025



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The AgBiz is a publication for Innovative Ag Services members and stakeholders. If you have feedback, suggestions or content you would like to submit for future IAS communications, please contact Shelby Wartick, Communications Director at IAS@innovativeag.com or call (319) 465-2022 ext. 1065.

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2025: A More Challenging Road Ahead

KEN SMITH, CEO



Let me start by thanking you for your business and relationship with IAS.

When executed well, I believe that the cooperative model is simply the best model for agriculture. When we get people and assets

placed in the right spots working with you, you win. When the cooperative executes well, our returns go back to the members; it helps to keep great people; it helps maintain good assets. While we will always compete with other models (competition is good), we help keep margins and prices in check. Our presence is powerful in the areas in which we operate. This past year, we had meaningful patronage returns to you. As we look ahead, I am confident in our team's execution and sincere desire to serve you.

2025 for the cooperative and many of you appears to be a more difficult financial year. Row crop margins will be challenging. While we are familiar with these cycles, navigating through them together is what we are here for. We look forward to working together through these times. In this newsletter, you will see updates on where we see opportunities and provide updates on where we see markets and prices. Our team does an excellent job of serving, and I would personally ask for more of your business when possible.

We need a good spring window to get nitrogen down. As you are aware, last fall was challenging with temperatures to apply NH₃, and when we did cool down, excessive rain kept us out of our optimal application window. This situation was not just in our areas, it was in many areas of the Midwest. Another dynamic will be tariffs on ag inputs/nutrients. A significant amount of our potash comes in from Canada, as well as urea. These tariffs provide the potential for higher prices. I also anticipate that U.S. corn plantings will increase with current corn/bean ratios. This will keep ag inputs firm. Stay close with our agronomy team; it certainly has the potential of a volatile year.

One of the items I am hopeful we will get updated guidance on soon is the 45Z tax credits related to climate-smart ag practices. There is an opportunity for ethanol plants, including our plant, Pine Lake Corn Processors, to lower our carbon intensity (CI) score and receive tax benefits as



a result of the corn coming in with these production traits. The U.S. Treasury guidance will help us understand what practices will be incentivized and what documentation is needed. These credits will be for grain delivered in 2025, and we are closely monitoring how ethanol plants will share these with producers. Given our ethanol plant and cooperative position, we work towards an equitable split. We believe it is important to keep you well informed and prepared for this opportunity and share how different plants work with producers. We believe that we are in a unique position to do this.

Thanks again for the opportunity to work together. We look forward to serving you.

Good days are ahead.

Ken Smith



IAS MEMBER SPOTLIGHT:

Lillie Beringer-Crock: A New Generation of Conservation Farming

In the ever-evolving world of agriculture, it takes vision, perseverance, and adaptability to balance profitability with sustainability. Lillie Beringer-Crock, a third-generation beef farmer from Cascade, Iowa, is doing just that. Recognized as the 2024 Iowa Women Conservationist of the Year, Lillie is making a name for herself by implementing conservation-minded practices that are reshaping her family farm's future.

Embracing Change for a Sustainable Future

Lillie grew up surrounded by her family's rich farming legacy but has worked tirelessly to bring new methods to the table. When she returned to the farm full-time, she transitioned from conventional tillage to no-till farming with cover crops, a move that has significantly improved soil health and reduced erosion on her sandy terrain.

While change is never easy, Lillie's commitment to conservation has been driven by results. The healthier soil structure has not only benefited her cattle grazing program but has also led to improved yields. In fact, her father, a lifelong farmer, recently remarked that this year's crops are the best he's seen in 55 years—a testament to Lillie's dedication to sustainable farming.

Partnering with IAS for Success

A key factor in Lillie's success has been her partnership with Innovative Ag Services (IAS). She has worked closely with IAS agronomists to fine-tune her approach, ensuring that her conservation efforts align with both short-term productivity and long-term land stewardship. IAS's sustainability programs have provided both technical expertise and financial support, helping her scale from an initial 20-acre trial to now managing 240 acres with these conservation methods.

Lillie credits IAS with providing guidance and resources that allowed her to make informed decisions. From selecting the right cover crops to managing manure application without traditional tillage, IAS's team has played a critical role in helping her navigate the transition.

Growing Influence in Agriculture

Beyond her work on the farm, Lillie has built a strong online following of nearly 40,000 people through social media, where she shares insights into modern ranching and conservation agriculture. Through her platform, she educates and inspires other farmers to explore regenerative practices, proving that innovation and tradition can go hand in hand.

Her advice to fellow growers? ***"Build a team that shares your vision, start with manageable goals, and be prepared to learn from both successes and failures."***

A Bright Future with IAS

Lillie's journey is a shining example of how young farmers can embrace change while honoring their family's legacy. As a former IAS employee, she has experienced firsthand the cooperative's commitment to its members. Now, as a producer, she continues to rely on IAS for agronomic expertise and resources that help her farm thrive.

With farmers like Lillie leading the way, the future of agriculture is in good hands—rooted in tradition but driven by innovation. To learn more about Lillie and her operation, visit BeringerFamilyFarms.com.



Advancing Our Feed Operations: Key Upgrades and Market Performance

MIKE BACHMAN, VP OF FEED



It's been a very active winter as we have finished multiple significant capital projects in the feed division. In Hubbard, we replaced the exterior siding of our feed mill and warehouse, Cuba City moved into the new 4,000 sq. ft. warehouse addition, and Hopkinton just completed an upgrade to the receiving and mixing legs. Additional projects include rolling stock updates, such as three new forklifts, a flatbed pickup, a 24-ton feed trailer, a used tandem feed truck, and a small box van for bag deliveries. All these upgrades enhance our ability to service our customers and at the same time improve our efficiencies.

Currently, the feed division is tracking a little below budget. Increased repair and labor costs continue to be the driving force in the first six months of FY2025 from an expense, and on the revenue side, total feed tons are down with margins slightly lower. We continue to work on business goals with a sales focus on gaining new business and using technology and business management tools to help our producers.

Today, swine producers are challenged to source weaner pigs as sow units still feeling the effects of disease. With inventory low, the cost of a weaner is up significantly, making a negative return. Even as input costs are down slightly from a year ago, this is one of the main reasons our tons have been off since a year ago. Our swine team continues to work hard to create and grow relationships with potential customers.

Our dairy tons and margins are slightly lower than last year. Class III milk has been trending lower. USDA has stated that milk production is increasing nationwide. The USDA pegged December milk production of the 24 major dairy states at 18.0 billion pounds, down 0.4% from last year but 4% above the 17.3 billion pounds in November 2024.

On the beef side of things, feedlots are full, and our bulk Quality Liquid Feed tons continue to grow. It is a very high-risk, high-reward time in the cattle business. The smallest cow herd in fifty years, but we made up for it with the biggest cattle in history. With all the record-high volatility still going on, the beef industry has seen the third straight year of unprecedented profitability.

From a feedstuffs standpoint, commodity prices have been trending lower than a year ago with good supplies. Soybean meal has been a major driver in lowering prices with several new crush plants that have come on stream over the last 18 months. January's USDA report lowered both corn and soybean production, but still respectable production numbers and good world supply. Commodities, forages, and by-products all seem to be in good supply in the marketplace.

We continue to focus on our relationships with our partners. Emphasizing what they can provide to help us grow our business and streamline our product lines to provide our customers with a valued product.

Thanks again for all you do to make the IAS feed business successful.



Photos are from 2024 Beef Feedlot Tour



Agronomy Division

TIM KRAUSMAN, VP OF AGRONOMY



Winter 2025 has been another one for the books. If there is a good time to go without moisture, the winter is as good of a time as any, unless you enjoy riding snowmobiles. With little to no snowfall so far this year and some fairly cold days, we are getting some benefit from the frost going deep into the soil to help with compaction. In areas of

need, this can be beneficial for better yields moving forward.

With the grain markets increasing recently, an expectation of increased corn acres, tariffs, and global demand, fertilizer prices are on the rise as we continue through spring. Fortunately, corn prices have kept up to make the price of fertilizer per bushel of corn an OK buy. The final number of corn acres will be a big driver of fertilizer values past this spring.

One thing for sure about this upcoming growing season is that it will somehow be different from the last few years. With the challenge of not having new active ingredients, killing certain weeds continues to be more difficult to control. We will continue to add more rates and active ingredients to each acre to try to have the best possible weed control.

With the new regime change in the government, our sustainability acres are uncertain at the moment. The USDA has paused payments, and other carbon program payments are being paused. The 45Z program is also still up in the air as we await details to bring value to growers. Please reach out to our IAS team to get updates on how your acres that you have signed through IAS are being impacted.

We look forward to the opportunity to work with you on your remaining business for this growing season, and servicing you this spring. Please have a safe and enjoyable rest of the winter.

Spring IAS Crop Talks & Field Walks: Choosing the Right Seed with Tim Vanderloop



Planting season may still be a few months away, but making the right seed decisions starts now! This month in our IAS Crop Talks & Field Walks video series, we're featuring Tim Vanderloop, Agronomy Advisor at our Alden location. Tim will be sharing insights on choosing the right seed for your operation and how IAS is here to help you make the best decisions for a successful growing season.

At IAS, we know that seed selection is one of the biggest factors in your yield potential. That's why we work alongside you to understand your fields, goals, and challenges—whether it's soil type, pest resistance, or maximizing ROI. Tim will walk through what to consider when selecting hybrids and varieties and how our team can help you customize a plan that fits your farm's needs.

Don't miss this month's IAS Crop Talks & Field Walks episode—available soon on our website and social media. And as always, reach out to your local IAS Agronomist for guidance as you start planning for the season ahead. We're here to help you grow!



Check out our YouTube agronomy series, Crop Talk and Field Walks!
Scan the QR Code or search for @innovativeagservices on YouTube.

Members, Get Ready!

Calling all photography enthusiasts! The 2026 IAS Calendar Contest is just around the corner, and it's your chance to showcase the beauty of cooperative living. Whether you're a seasoned photographer or just enjoy capturing special moments, we encourage you to participate.



Be on the lookout this May when we officially open submissions. With a new one-photo-per-entrant rule, make sure to select your absolute best shot to compete for the top prize and a feature in the IAS Calendar.

Stay tuned for more details, and start scouting for that perfect photo opportunity!

Randy Swenson, VP of Energy Prepares to Retire



After more than three decades in the energy industry, Randy Swenson, Vice President of Energy, is preparing for retirement. Randy's career with IAS began in April 1993, when he was hired to build a propane business for the Hubbard

Farmers' Cooperative—a business that continues to thrive today under Innovative Ag Services.

With 32 years of experience, Randy has played a pivotal role in marketing, procurement, risk management, dispatching, and overseeing service personnel and delivery routes. Before joining IAS, he built his expertise by managing his family's cattle and grain farm in Osceola, IA, and later working as an LP delivery driver, service technician, and location manager for Thermogas Companies.

We are incredibly grateful for Randy's leadership, dedication, and contributions to our cooperative and our customers. Please join us in thanking him for his years of service and wishing him the best in his well-earned retirement!

Isaac Imsland will be taking over the Vice President of Energy on May 1 and Randy will stay on as an energy salesman and consultant until the end of 2025.

Ramping Up for Spring

CARLA ELLIOTT, VP OF HUMAN RESOURCES



While it feels like spring is arriving early, we're ramping up our efforts to recruit seasonal staff. The HR team is actively seeking talented individuals to join us, employing a diverse advertising strategy that includes digital platforms, social media, radio, and newspapers. Employee referrals continue to be a highly effective recruitment tool, and we encourage you to spread the word about opportunities at IAS.

Our H2A program will again provide essential support, with 19 participants arriving this month. This program is vital to ensuring that we can continue providing excellent service to our members and customers.

In addition to seasonal roles, we're diligently filling full-time positions, particularly Agronomy Advisor roles. We've noticed a trend in which candidates seem less interested in roles requiring direct, one-on-one customer interaction. There appears to be a preference for technology-focused, non-customer-facing positions, a shift we believe is impacting various industries. It's becoming more challenging to find individuals who thrive on building personal relationships.

At IAS, we remain committed to our personalized, relationship-based approach. We're not a "big box" operation; we value face-to-face interactions and believe understanding our customers' businesses firsthand is key to maximizing their returns. This personal touch is our strength.

If you know anyone passionate about agriculture and dedicated to building strong relationships, please encourage them to contact us. We're looking for individuals who share our commitment to personalized service and customer success. We can be reached at hr.dept@innovativeag.com or (319) 465-2022 ext. 1069. Have a fantastic, safe spring!



Safety & Compliance

BILL VETTER, SAFETY DIRECTOR

We all welcome the nice weather and the opportunity to work outside and, in the fields. Consider the environment you are working in, and the potential equipment hazards. Safety always needs to be considered and is a priority in any task or operation we are involved with. We ask our employees and customers to be safe during this busy time of the year. Be sure to select and have on hand/use the appropriate Personal Protective Equipment (PPE). Innovative Ag Services is committed to safety and everyone's desire to send employees home safely, along with meeting regulatory requirements in the workplace.

The weather and season change brings an increase of farm equipment and more vehicle traffic on rural roads. Learn to safely share the road with large equipment. Be mindful and look for the Slow-Moving Vehicle (SMV) sign. This is your warning to slow down and indication the vehicle is traveling at or below 35 MPH. It takes just five seconds for a car traveling 55 MPH to close a distance of 300 feet or a football length. Don't get impatient when following slow-moving vehicles, and follow the same rules when passing other vehicles. Do not pass in a no passing zone, on a curve, bridges, or near intersections. Be aware of wide or large equipment that may be hanging over the shoulder and could have to swerve into the center to clear a mailbox or sign. At nighttime, be on the lookout for a steady or flashing single light that may be on the back of equipment or nurse tanks between sunset and sunrise as an indication of equipment traveling at or below 35 MPH. State code 321.383 has more information on SMV signs use and requirements if needed.

With spring fieldwork comes the application of crop nutrients, chemicals, and anhydrous ammonia to support the demand of our customers. Safely handling these types of products is paramount. Improper handling or not following PPE requirements can have severe, long-lasting, tragic effects.

Crop protection products can have harmful effects if precautions are not utilized and followed. Always read manufacturer labels and safety data sheets for requirements and recommendations.

Anhydrous ammonia will always seek a source of moisture. Your eyes, face, and lungs are the most vulnerable and must be protected. Wearing a face shield, ventless goggles and neoprene gloves with a liner is the first line of defense when working with chemicals or anhydrous ammonia. A face shield and long-sleeve clothing are highly recommended as part of your PPE when working around these items to prevent splashing onto your skin or entering your airway.

Water is your first line of defense when working around these items as water has a neutral pH base for chemicals, and water is a must around anhydrous ammonia. Anhydrous ammonia will chemically burn the skin upon contact and continue for up to 15 minutes. Water for 15 minutes of exposed areas is a must, and never apply ointments. All nurse tanks have five gallons of emergency water tanks on them, and it is a good idea/recommendation for customers to carry a personal supply of water in vehicles and tractor cabs or on their person for immediate accessibility.

Ensure caution is exercised when handling transfer chemical hoses or anhydrous hoses to prevent accidental discharge. Be certain the valves are closed and any trapped material is bled down before disconnecting. All valves on a nurse tank must be closed before transportation on the roadway to meet DOT standards. Always replace dust caps when a hose is disconnected. When towing a nurse tank, the maximum speed is 35 MPH to meet safety and DOT regulations. The potential for serious accidents increases at higher speeds, and the wagon lacks sufficient braking capacity to control it safely at higher speeds.

Most farmworker injuries are caused by tractor incidents: with overturns, being run over, equipment attachments mishaps, and power take-off systems. Please be safe and aware of your surroundings and hazards, and exercise extra caution this time of year. Take that extra moment to inspect equipment, conduct pre-operational and road-worthy safety equipment checks of safety chains, draw bar pins/safety pins, proper lighting, and SMV signs.



Energy Division

ISAAC IMSLAND, INCOMING VP OF ENERGY



As of this writing, energy markets continue to rise with new sanctions being imposed on Iranian and Russian crude exports and the anticipation of tariffs on Canada and Mexico. Big Oil is resistant to “Drill Baby Drill,” due to profit declines in Q4 of last year, putting a hold on capital expenditures. Crude oil spiked in the middle of January (\$79/barrel) and has since

settled in the \$72/barrel range, struggling to break through the resistance of \$70/barrel. Diesel fuel has followed crude, only separating with local basis, which continues to be extremely volatile. For reference, in early January, the local diesel basis was \$.40 under the New York Mercantile Exchange (NYMEX), the last week of January spiked to only \$.12 under the NYMEX, and as of this writing, the diesel basis is currently \$.21 under.

With spring right around the corner, diesel inventories are at a normal range, and prices are .10-.20/gallon cheaper than this time last year. The markets have not given us much opportunity after the fall to fill. If your diesel barrels are not sitting full, call your location or delivery driver and schedule a fill to go into spring fieldwork full. Looking ahead, we hope to have a fall diesel contract available soon.

Propane prices have fluctuated with demand this winter, recently spiking with wholesalers in a crunch for “wet barrels” for the Northeast United States. Current degree days are 10% ahead of last year and are forecasted to continue to grow. Over the months of April and May, our drivers will be out topping tanks off with unused contracted gallons.

I would like to thank our member base in its entirety for the continued loyalty and partnership. Innovative Ag Services is continually hard at work fighting for the best price and service that is attainable.

Have a great spring!

Photo credit:
Max Dewhurst,
Hubbard, IA



SAFETY FIRST

Innovative Ag Services recognizes that our customers and employees are our most valuable assets. Our customers are important end users of our services and products for continued growth and success as a company. We are firmly committed to customer service and employee safety and will do everything possible to prevent incidents. Have a safe spring!

Isaac Imsland: Incoming Vice President of Energy

IAS is pleased to introduce Isaac Imsland, our soon-to-be Vice President of Energy. Based out of Hubbard, Isaac has been a dedicated part of IAS for the past 10 years, working his way through nearly every role in the Energy Division. His hands-on experience has given him a deep understanding of what drives success in energy—from procurement and risk management to delivering the best service possible to our customers.

As he steps into this leadership role, Isaac is excited about the future of the IAS Energy Division. His focus will be on enhancing technology, updating delivery software, modernizing cardtrolls, and ensuring we continue to provide reliable energy solutions that support your farm and business.

In this edition, Isaac shares a market update and division insights, giving you a look at what's ahead for the IAS Energy team. Please join us in welcoming him as he transitions to this new role!



Grain Division

CHARLIE WHITE, VP OF GRAIN



We can point to three primary drivers of market drivers post-harvest this year which are 1) Strong Demand + Lower Grain yields + Managed Money short position covering flipping to a near record long = higher grain prices 2) Headline risk looms large, including South American

weather importance in this time frame 3) farmers have rewarded the rally with sales in a meaningful way.

The 2024 crop is one that defies “big crops get bigger.” With a tough finish to the year and moisture right out of the field on corn coming in sub 14%, this supports the USDA drop in corn yields. The 276-million-bushel production drop from November to January in USDA reports is the 2nd largest change, second only to the derecho year. Prior to harvest, the marketplace was gearing up for a 14+% stocks to use ratio on 2 billion plus carry out only to find ourselves closer to 10% with 1.5 billion bushel of ending stocks on corn, which is a fundamental shift. Soybeans also have felt the crop and expected carry outs drop, although the balance sheet on beans is adequately balanced. After these large adjustments from USDA in December and January reports, the February 11th report left domestic S&D tables unchanged for both

corn and soybean carry outs. The managed money crowd has worked themselves out of a near-record short position to a near-record long position, all helping to explain an 85 cent move higher post-October harvest lows on corn, while beans have seen an almost a \$1 rally since December lows were put in.

External market forces have also had large impacts on the grain markets. Tariff talk on Columbia, Mexico,



Grain Marketing Meeting
Parkersburg, IA

Canada, and China have left the trade weary on whether agricultural products will be included on retaliatory tariffs and what negative impacts that could have on our international trade. All of these have a large potential to disrupt the export trade flow and the market's job is to price these uncertainties into prices.

One concern that has been in the marketplace for over a year now has been over Mexico's proposed ban on biotech corn imports following the presidential decree in February 2023. That proposal has now been repealed with our number 1 corn trading international partner.

Pine Lake Corn Processors and IAS continue to patiently await full guidance from Washington, D.C., regarding biofuels feedstock initiatives (IRA and 45Z). We understand the value that this brings to our membership's bottom line, the impact to marketplace and demand growth, and we are continuing to work on ways we can work together once rules are finalized.

With all the market noise mentioned above, we are excited that many of our members have attended our Winter Grain Marketing meetings throughout our territory to hear from some of the trusted resources the IAS grain team works with daily to manage risk. The IAS Grain team is around to have further discussions regarding any of the topics covered at these meetings and what tools best fit your market bias to lock in prices, a floor price, or capturing premium from the market over today's price. Thank you for your business.



Grain Marketing Meeting
Elkader, IA

Stay Ahead with IAS Bin There, Done That: Grain Marketing Updates & Strategies

Marketing your grain can be just as important as growing it, and IAS is here to help! Our monthly IAS Bin There, Done That: Grain Marketing Updates & Strategies video series brings you expert insights from our grain originators to help you make informed marketing decisions.

Each episode covers market trends, pricing strategies, risk management tips, and more—all designed to give you the knowledge you need to navigate today's ever-changing grain markets. Whether you're locking in contracts or watching basis movement, our team is here to provide the guidance you need.

Catch the latest episode on our IAS YouTube channel and subscribe so you never miss an update!



Watch each month as one of our grain originators breaks down the grain markets! Scan the QR Code or search for @innovativeagservices on YouTube.



Growing Stronger Together: Introducing the Seeding Hope & Innovation Initiative

At Innovative Ag Services, we know that strong communities help farms and families thrive. That's why we're excited to introduce our Seeding Hope & Innovation Initiative—a new way to enhance the support we provide to the places we call home. Through this initiative, we're focusing on giving back in three key areas that matter to you:



Ag Education

Supporting the next generation of farmers and ag leaders through FFA, 4-H, local fairs, and educational programs. We also provide scholarships to help students pursuing careers in agriculture.



Food Scarcity

Helping fight hunger by supporting food banks and local meal programs, ensuring our communities have access to the food they need.



Community Vitality

Strengthening rural communities by supporting local EMS and fire departments, backing community improvement projects, and helping build strong local connections.

Giving back at IAS goes beyond donations. We encourage our employees to get involved by offering paid volunteer hours, matching programs, and hands-on support at local events, fairs, and community initiatives.

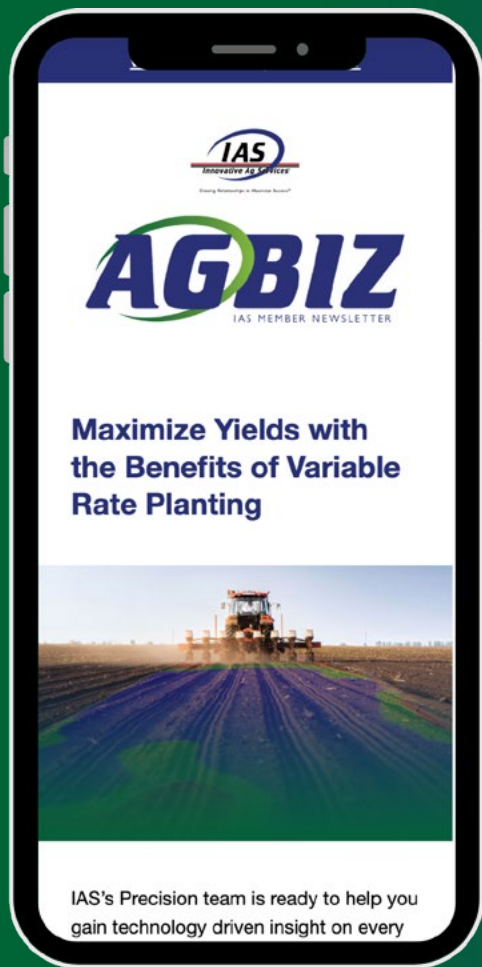
In FY 2024 alone, IAS contributed over \$65,000 to organizations that make a difference, and we're committed to doing even more. We believe in supporting programs that help our members and employees succeed—because when our communities are strong, agriculture is strong.

Watch for more details in the next AgBiz and online. We're excited to keep growing together!



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GROWING RELATIONSHIPS TO MAXIMIZE SUCCESS®



Stay Connected with IAS: Subscribe to Our Monthly Email Newsletter!

Since January, Innovative Ag Services has been sending a monthly email newsletter to keep our members informed. Each edition includes key updates from across our divisions, links to our video series, and other valuable insights—all delivered straight to your inbox.

Looking ahead, we'll soon offer the option to receive AgBiz digitally only, giving you greater flexibility in how you stay connected. However, we plan to continue offering a printed version through this year.

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