



SUPPORTING THE NEXT GENERATION OF AGRICULTURE

Iowa Foundation for Agricultural Advancement rewards students with scholarships

By Sara Clausen, Director of Communications, Sara.Clausen@keycoop.com

NO PLACE SCREAMS AGRICULTURE like the Iowa State Fair. Sure, it's ten days of food, rides and concerts, but the true purpose of the fair is to shine a light on everything ag—including the youth behind many of the exhibits!

There's a tremendous opportunity (and challenge) to retain the next generation of ag students in our state. Iowa is known all over the country for having strong ag

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Pictured above: Jackson Sterle (left) and Dalton Shanks (right) posed with Key Director of Communications Sara Clausen at the Winner's Circle Scholarship presentation at the Iowa State Fair.

AGRONOMY FEATURE

Even though it may feel like it was April just a few weeks ago, I've seen growers preparing their combines for what should be a really nice harvest. As we look back on this growing season, it's easy to pinpoint the challenges we faced.

See page 2 for the full story.

ENERGY FEATURE

We're preparing for harvest—our busiest season, the one that consumes all our daylight hours and stresses our operations to the max. The flow of fuel, propane, oil and diesel exhaust fluid could be called the lifeblood of our operations.

See page 4 for the full story.

Sign up to receive Key's e-newsletter every other month. Just scan the QR code and enter your email address!





A Super-Mega-Bearish Bean Outlook

By Zack Gardner, Grain Marketing & Origination Specialist, Zack.Gardner@keycoop.com

FOR STARTERS, let's talk about corn. In the August 12 USDA report, they raised corn yields up to 183.1 bu/acre, which is bearish at first. But it was offset by a 700,000 acre drop in harvest acres plus a 100 million bushel increase to corn exports.

Beans, however, are a different story. We saw bean yields increase to 53.2 bu/acre and got a 1 million acre increase to planted acres, with no offsets like we saw for corn. These updated production numbers give us a stocks-to-use ratio of 12.8 percent!

How the Outlook Goes From Bearish to Super-Bearish

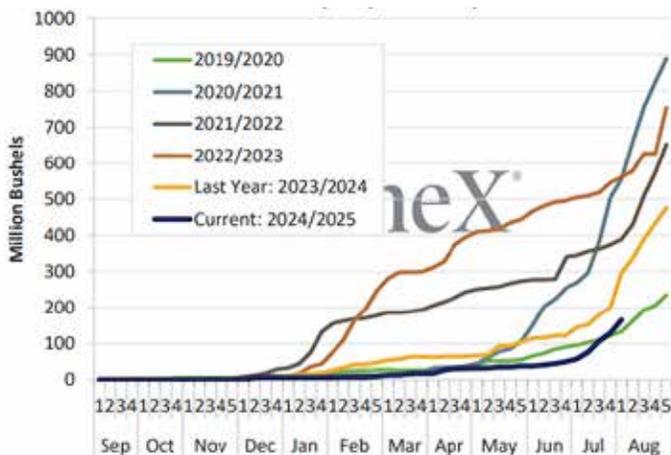
Lately, the soybean market has been keeping an eye on our export sales. Our saving grace may have been China coming in and scooping up some late-season soybeans to bridge the gap until Brazil starts harvesting again in January. However, we haven't seen that come to fruition. We've seen some sales, but not enough. As you can see on the chart below, China has bought just barely more than the 2019 crop year, where they lost approximately 50 percent of their hog herd due to African swine fever.

To top things off, the USDA raised both acres and yield for the U.S. crop. Just one day post-report, and we show new crop cash beans with an 8 in front of them.

So Why Is the Soybean Outlook Super-Mega-Bearish?

We have very low soybean export sales, and we just got an

U.S. NEW-CROP SOYBEANS EXPORT SALES



Yes, It's Already Time to Talk Seed

By Mike Tufte, Seed Specialist, Mike.Tufte@keycoop.com

ANOTHER IOWA STATE FAIR has come and gone. It seems surreal that we're already thinking about our next cropping plan, but there's no better time to start planning than the present.

Even though it may feel like it was April just a few weeks ago, I've seen growers preparing their combines for what should be a really nice harvest. As we look back on this growing season, it's easy to pinpoint the challenges we faced. How did it play out?

After being in a dry cycle for several years, we finally found some moisture. The temperatures haven't been as high as last year, but we still got enough heat to mature the corn. August brought us some prime grain-fill weather. As I do kernel counts, I find myself dividing by smaller and smaller numbers because the kernel depth keeps increasing. I'm not afraid to use a factor of 85k, or even 80k, as opposed to the typical 90k (kernels around x kernels long x stand count, all divided by 80 or 85). Overall, I think we are sitting in decent shape here in Central Iowa.

As we wait on Mother Nature to push our corn to black layer, some of you are having conversations about anhydrous. I would encourage you to speak with your Key Agronomist about your future seed needs as well! Chances are, you have a decent idea what your acre footprint will look like next year. With all the hustle and bustle going on, we can help you take a variable out of the equation.

That's where seed prepay comes in. (Wait, did he just say seed prepay?)

You say, "Mike, I haven't even harvested this year's crop. How will I know what I'm going to plant next year?" I understand that completely. Things may change after you put your combine away. And that's all right. If that happens, Key will adjust to meet your needs to the best of our ability.

But there is a method to my madness. You may have a favorite hybrid that you know you'll plant again. Or maybe you're the grower who loves to try the new stuff. It could be a case of your planter being picky about seed size. Maybe it's



DATA DRIVEN DECISIONS
CENTROL
PRECISION AG

Serve as a Key Cooperative Director

Agriculture is evolving, and so are we!

As champions of modern agriculture, Key Cooperative is transforming ag by maximizing the potential of technology. If you're a leader of our cooperative, you get a front row seat!

As a member-owned organization, Key Cooperative is governed by a 12- or 13-person Board of Directors. Ten members are elected, and two or three are appointed. Each fall, we invite our member-owners to consider running in or nominating candidates for the upcoming December election. If you're interested in serving, please contact Board President Bryce Arkema (Bryce.Arkema@keycoop.com) or Vice President Mike Engbers (Mike.Engbers@keycoop.com). New directors are announced at the Annual Meeting and take their seats in January. ●

HIGHLIGHTS OF BEING A DIRECTOR

- Directors develop personally and professionally.
- Directors work as a team and build their leadership skills.
- Directors learn how to navigate the cooperative system through strategic planning and budgeting.
- Directors have regular opportunities to network with their peers and develop relationships within the industry.

QUALIFICATIONS

- A director must be a Class A member in good standing.
- Each elected director serves a three-year term.
- Each director serves on one subcommittee.
- Directors must regularly attend monthly Board meetings.
- Directors must be willing to support member events and activities throughout Key's territory.

Iowa Foundation for Agricultural Advancement rewards students with scholarships

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programs at our colleges, but education requires investment. This is where the Iowa Foundation for Agricultural Advancement (IFAA) comes in.

The IFAA is dedicated to connecting Iowa's future ag leaders to others who are passionate about the industry. The organization is known for its huge Sale of Champions, where 16 4-H and FFA exhibitors sell their champion livestock to hometown and national supporters at the Iowa State Fair. This year, the event brought in nearly \$669,000. The best part? Twenty-five percent of these sales will go directly back into student scholarships!

The Winner's Circle Scholarships—as they're formally called—are available to incoming freshmen and undergraduates enrolled in agriculture curriculum at any two- or four-year university or college. The IFAA presents over \$200,000 in scholarships per year, and Key Cooperative is proud to be part of this program each year.

"We want our kids to come back to Iowa to do an internship or work," said Mark Kahler, a member of the IFAA Board. "This program promotes our younger generation within ag and helps them with their education."

The Sale of Champions and the Winner's Circle Scholarship presentation take place on the final Saturday of the fair in front of hundreds of spectators. Many new records were set during this year's sale, but most impressively the IFAA presented a record 95 scholarships. Two of those scholarships were funded by Key Cooperative and awarded to ISU undergraduates Jackson Sterle (senior) of Roland and Dalton Shanks (junior) of Colfax.

"This program goes further than just receiving a scholarship," said Jackson. "I have the ability to meet the donors and make connections. The IFAA helps me explore other opportunities, since I want to attend grad school."



"I've been part of the Sale of Champions since 2016," said Dalton. "By having animals go through the sale, I know everything goes full circle to help others with their scholarships."

The IFAA is operated almost entirely by volunteers, including the Board members, fundraising committees and those who run the sale and scholarship presentation each year at the fair.

"It's really rewarding to meet these students at the Iowa State Fair," said Mark Kahler. "I know I've helped create a scholarship for their success!"

If you're interested in volunteering with the IFAA or would like to recognize our youth by contributing to the Winner's Circle Scholarships, please visit www.ifaa.org. ●

Energy Services for the Season

By Scott Richardson, Energy Division Manager,
Scott.Richardson@keycoop.com

IT'S THAT TIME OF YEAR! We're preparing for harvest—our busiest season, the one that consumes all our daylight hours and stresses our operations to the max. The flow of fuel, propane, oil and diesel exhaust fluid could be called the lifeblood of our operations. Without it, all our equipment is at a standstill.

A good preventative maintenance plan can help avert unnecessary breakdowns during harvest. Key Cooperative offers discounted summer-fill plans to keep inventories of propane and oil topped off. If you haven't participated in these offerings before, please reach out to the Key Energy team to get your propane and oil filled before you need it most. The summer-fill program can provide significant seasonal savings, making sure you're filled early versus when propane and oil are at their highest demand.

We understand that the use of diesel exhaust fluid (DEF) can vary from operation to operation. Key currently has bulk storage of DEF at our Sully and Roland locations, and we have the ability to deliver bulk DEF gallons from our DEF delivery trailer system. We also provide several storage options: 55-gallon drums, 140-gallon totes and 330-gallon totes, including pumps, hoses, nozzles and meters. If this is something you currently need or are considering, please reach out to us for solutions. We want to ensure all our DEF users understand how to keep their equipment operating efficiently with this product and reduce their risk of downtime due to improper handling.

Diesel fuel and gasoline are still at the



To learn more, call the Key Energy team: 800-469-1040

DEF DELIVERY *available in the field*

Don't get caught on empty this harvest - we're here for you!
Key Cooperative offers DEF delivery for both commercial and agricultural use.

Rick Kucera, 641-780-1624

Chris Nady, 515-290-0009

Bob Rabey, 641-521-6318



YOUR CERTIFIED ENERGY SPECIALISTS ARE JUST A CALL AWAY!

heart of our equipment. Ensuring we have a high-quality product (and plenty of it) is a top priority at harvest. Key Cooperative has a team of 4 fuel delivery trucks and 11 cardtrol locations, all offering Cenex® premium fuels. We've transitioned our sites in Roland, Story City, Gilbert, Nevada Bulk, Bondurant, Newton, Sully and New Sharon to offer Cenex® Ruby Fieldmaster® premium diesel, so you can get fuel for your farm equipment on the go. Getting your ag diesel with your fuel trailer, truck tank or tractor when you're out going field to field—instead of having to return to your home tank—speeds up your operation. You can also contract your diesel fuel needs at the cardtrol locations. Contact the Key Energy team to discuss contracting options at both the cardtrols and your farm-delivered storage.

Maintaining the equipment that handles these products is also very important. Pumps, hoses, filters, nozzles and storage containers can all get neglected. It's important to change the filters on your storage tank pumps, check hoses

for weather cracking and leakage and make sure your pump hasn't seized up and is still flowing at acceptable speeds. Check your fuel tanks for water condensation that may have settled at the bottom. Key Cooperative has several trained and qualified service technicians who can work on pumps and storage tanks and replace hoses, filters and nozzles. We also keep a stock of these items at our locations, so they are readily available when needed.

Additionally, we recommend having someone look at your grain dryer installation if you intend to use it during the season. Checking for leaks and making sure the right amount of propane is running your dryer efficiently can help ease downtime when you go to start up these systems. Grain dryer systems don't get used every year, and they can start to break down or leak over time when they're not regularly inspected and maintained. Let our technicians help you get ready for the coming season safely and efficiently, so you can maximize your time bringing in the crops! ●

A Super-Mega-Bearish Bean Outlook

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increase to soybean acres and an increase to yield. What happens if you throw in higher fall ammonia prices and lower farm revenue from declining grain prices? Do we see more soybean acres here in the U.S. next year as cash gets tight? I think the markets' job right now is to **disincentivize the Brazilian farmer** from planting more soybeans next month, which would make this global soybean problem even worse!

What Can We Do About It?

Forward market! Big crops mean big carries, which especially emphasizes forward marketing. We should be looking at any form of forward marketing that helps provide us with a price floor. For example:

- **Sell cash.** Leverage min./max. strategies (selling cash, buying a call and selling a call to cheapen up the strategy).
- **Buy or roll put options and accumulators.** Option volatility is surprisingly cheap right now, which tells us to be buyers of options instead of sellers. (There's not much premium gained from selling options.) But we need to be careful, buying with the right strategy so we don't lose money spent on options and make our already low cash prices even lower.
- **Plant more corn.** Does the profitability ratio of fall ammonia to December 2025 corn make more money than planting beans with November 2025 futures where they're at?

There are many strategies to think about and carry to capture, which should help make these grain prices a little less painful. ●

Yes, It's Already Time to Talk Seed

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all of the above. The earlier we get these acres locked in, the better chance we have of getting you exactly what you want. If the plan changes after harvest is complete, we can make those swaps in a very timely manner. At that point, the majority of your acres will already be accurate. We will just be fine-tuning.

Did I mention high cash discounts? Cash discounts are at their highest levels right now. I also think you'll agree that we have an attractive financing offer to go with it. For more details on that, reach out to your Agronomist.

My challenge for myself, as well as the rest of the Key Agronomy team, is to be the best seed advisors you know. It's our job to do what's best for your operation. Not only does Key bring you the best germplasm on the market—we bring the best knowledge base and most dedicated staff in the industry. Call your Key Agronomist to talk seed today! ●

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The Game We Can Win

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all locations. Last year's first check averaged 225 bu/acre and slid to 223 bu/acre by the end of August. This year, I anticipate we will see a slight increase in the second check. That slight bump in yield will likely be offset by some acreage reductions due to ponding and seeps. Regardless, it appears yields will be right in line with a year ago.

You'll begin to see grain piles at several of our locations by the middle of September, so we can move some old crop storage bushels out of the way. We're expecting a bigger handle than last year due to additional corn acres from the 2021 rotational shifts that resulted from the derecho. The other space challenge is from carrying a record amount of old crop bushels in our elevators, since virtually everyone is still holding on to more bushels than they anticipated.

We're unfortunately navigating through a steep and steady market decline, which has significantly constricted net farm income. Net cash farm income will take a season to level off as input costs slowly realign with the cash grain market. There will be pressure to make some reductions in total spend on total crop inputs. Depending on how yields turn out, make sure you're working with your Key Agronomist to make the most efficient and effective adjustments to preserve yield potential for next year. When the markets are flat and down, maximum economic yield is the game we can win. The other game is beating the average with a solid marketing plan. The Key Origination team is well prepared to use the various tools available to make the most of what the market allows, reduce risk and preserve some upside opportunity.

Key Cooperative is proud to be your essential business partner. Difficult times like these are when it's more important than ever to communicate at a high level and work together! ●



Transitions

By Justin R. Crocheck, Senior Cattle Consultant, Justin.Crocheck@keycoop.com

SOME TRANSITIONS IN LIFE can be smooth and then some can be rough. It's how we prepare for these transitions that is most important to ensure that these transitions go smoothly. It's the same thing when it comes to weaning the calf crop.

As we prepare for weaning our calves, we need to double check how the calves are doing on pasture with their momma cows. It's like a pre-trip inspection. With current up and down weather, do we see any indication of illness in the calves or the cows? What's the body condition of the cows? Are the calves eating creep feed to pull some of the load off the cows? If the calves are eating and on a creep feeder, how much have they been eating on a daily basis (estimate)? An overconsumption of creep may indicate that it is time to wean calves.

What do you need to do to prepare for the weaning process? We recommend that your calves receive a green tag vaccination program two to three weeks prior to weaning based on your veterinary relationship. We recommend the use of our Ignite Stress Tubs prior to weaning and prior to vaccinations, if possible. They help boost the calves' systems, so they can weather the stress of processing and weaning. Watch the calves' creep feed consumption and make salt available. All of these things will encourage hydration in your calves prior to weaning.

Try to wean calves into a pen where they can still see their mommas. It's like setting up a playpen for a toddler. You put the calves in the pen and bring all the favorite toys: the creep feeder, the salt block, the Ignite Stress Tubs and good grass hay. Make sure the pen is free of unwanted objects that they might put in their mouths or could physically harm them. Lower the creep feeder opening down to one finger from two, and slowly move them toward the bunk. Keep it simple the first 21-30 days. Once stabilized, we can work at growing the calves. ●



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515-291-0763

Dustin Drexler
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319-560-4442

Kelcie Carpenter
Key Cooperative, Gilbert Feed Sales
515-520-1962

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641-990-8964

KEY PERSPECTIVES

The Game We Can Win

By Boyd Brodie, General Manager,
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THIS GROWING SEASON

had a fragmented start with all the unanticipated weather delays.

Fortunately, we've

received plenty of heat and moisture to drive what's shaping up to be a really good crop.

Our Key Agronomists have been out conducting yield checks across the territory, and the initial round of estimates is equal to or slightly better than last year for corn (see graphic on page 6). While it's still a little early to estimate beans, they're looking better every day. Our Agronomists check the same adjacent spots every year using a consistent process that has been fairly accurate. They do the checks twice, in the first and last weeks of August. This year's first check averaged 231 bu/acre across

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PHOTO CONTEST WINNER A PERFECT SUNSET

By Josh Raymond, Key Cooperative, Le Grand location

About the winning photo: One of our Key team members snapped this beautiful sunset photo at the end of a busy day!

Would you like to see one of your photos featured on this page?

The *Connections* photo contest is open to any member or customer who receives our newsletter. One winning photo will be selected and placed in the newsletter. Photos must feature agriculture, ag events, or rural settings; Iowa-based scenes are preferred. Photos must be submitted by the tenth of each month in order to qualify for the following month's newsletter. Please include your name, address, phone number and email address with your submitted photo(s).

Submissions may be emailed to
Sara.Clausen@keycoop.com.

Key Connections is sent to you courtesy of Key Cooperative. Please send comments or suggestions to Sara.Clausen@keycoop.com or call 515-388-8030.

