



Growing Relationships to Maximize Success!®

Winter 2022



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**WIN
BIG
AG**

Winter Update

Rick Vaughan, CEO

Happy Holidays Everyone.

Fall is wrapping up as of this writing. We hope to keep working on applying fall fertilizer, but Mother Nature and our customers will decide. We have had a good fall fertilizer season and we always appreciate this opportunity. Our fall grain harvest business was excellent. We are very fortunate for the crops our members were able to harvest this fall. These volumes will provide excellent opportunities for all of us between now and the harvest of 2023. Our feed business is off to a good start this fiscal year and our energy area has had a good fall with the corn crop having some moisture in it. The ethanol business is much different this fall than last fall due to the market dynamics. I will be able to report on all areas in our next newsletter as the fall season will be wrapped up.

The annual director election process was not yet complete before this publication went to print. I will report those results and the executive committee results in the next Ag Biz publication.

We have a couple of changes to our executive management team. Brenda Hoefler, IAS CFO has announced plans to pursue another opportunity that presented itself. Brenda has served as the IAS CFO for 14 years. She will be departing in January of 2023. We have begun the search for Brenda's replacement and are making plans to manage the transition. Additionally, Brian Kramer, IAS VP of Operations has announced his retirement effective in April of 2023. Brian has worked for IAS and its predecessor company, Swiss Valley for 32 years in a variety of capacities. Brian has been involved in many of the building projects that comprise our current infrastructure. I would like to take this time to thank Brenda and Brian for their many years of service to the company, our customers, and our members. Their knowledge, insight, experience, dedication, initiative, and hard work have been very valuable to IAS and will continue to provide benefits to IAS well into the future.

There are several very positive things to report to you regarding our PLCP ethanol plant and the carbon sequestration pipeline being developed by Summit Carbon Solutions, (SCS). We were fortunate to be able to partner with SCS as a founder ethanol plant. The passage of the Inflation Reduction Act this past summer has enhanced the pipeline opportunities and will provide additional opportunities for PLCP and SCS. We are busy engineering several projects that will lower our carbon intensity score at PLCP and increase the tons of CO₂ that will be injected into the pipeline. The economic incentives of the Inflation Reduction Act provide a target completion goal by January 1, 2025. The carbon sequestration pipeline and these additional projects will lower the CI score of each gallon of our ethanol production at PLCP into the low teens. This CI score will provide excellent social and economic benefits. Additionally, this low CI score will put ethanol in a better position than the best alternatives of a low CI score transportation fuel. We are also in the early stages of partnering with SCS to research the opportunities to bring a low-carbon incentive program to individual farmers in their corn production enterprises through a corn contract for delivery to PCLP. This project will require quite a bit of time and development, but the systems being developed by SCS with PLCP will get us much closer. We are very fortunate to have been able to partner with Summit Carbon Solutions for this project and the ongoing collaboration. SCS's leadership has a proven history of a very keen eye for foresight and success. They have been very progressive to develop this pipeline project and the ongoing opportunities it will provide. The land easement subject is a very sensitive subject for some landowners. I appreciate those concerns and understand them. I encourage anyone who has concerns to work through your concerns with SCS. They have proven to be an excellent partner and are very sympathetic to the concerns of landowners. If managed properly by all parties, solutions are available.

Winter Update (continued)

Rick Vaughan, CEO

The scope of this project will provide excellent benefits and opportunities for landowners, corn producers, local communities, the local tax base, ethanol production, the climate, gasoline consumers, investors, and all parties involved with all the ancillary activities. A special thank you goes out to all parties involved in this very large undertaking. Thank you for your business. Have a safe and happy holiday season!



Energy Update

Randy Swenson, VP of Energy

Hello from your man with gas!

We just finished another propane corn dryer season that saw demand all over the board from one end of our delivery routes to the other. Corn was coming out of the field at 17% in some areas and 30% in others. At the tail end of the season, supply at terminals tapped our patience again this year, but we got through it without any issues. Our additional trucks helped tremendously.

Recently, we have had inquiries about the state of diesel supplies. Everyone is hearing claims that the U.S. will be out of diesel by the end of the year. And of course, we all see the high price of diesel and know something is up. We know the high cost of diesel is hurting our economy, a major contributor to inflation, and stands in the way of more economically secure times. So, there are good reasons we are all concerned and asking questions. There is a shortage of diesel globally for many reasons. Hydrocarbon production has become taboo in the U.S., and there has been a lack of investment in it generally overall. Still, the U.S. did not slow its use and instead became more dependent on countries like Russia for supply. With the war in Ukraine, supply chains have been disrupted. Europe is seeking supply from other countries to supplement what it once got from Russia and the U.S. also ended its importation of crude and refined fuels from Russia. To top it all off, we have plenty of products to refine in this country, but that has been shut down. As a farmer/producer in the Midwest, I wouldn't worry about supply for the winter and going into Spring, but if you were a resident of the Northeastern U.S. and heating oil is your heating source, you could have some issues. For all those residents, let's hope they don't have any issues because that could make for a long, cold winter.



Locally, we will continue to monitor nearby and future prices to provide our customers with the best opportunity to fill up and/or contract their fuel needs. While last year didn't follow many historical averages at all, we shouldn't ignore them and assume this year won't either. Typically, we see demand for gasoline and diesel fuel quite low this time of year which leads to very low basis levels. Gasoline prices are also lower as summertime formulations are not required, which makes gasoline cheaper to produce and production yields more gallons. Diesel fuel could become a follower if gasoline prices start to decrease in December or as we get into the New Year. Historically, we see prices rally around the first of the year and throughout the spring months. Thank you to all our customers for your business! Happy holidays!

Feed Update

Mike Bachman, VP of Feed

It has been a good fall season with most of the crops out of the field and buttoned up as we head into the winter months. I would like to thank our employees and customers for their hard work and patience as we worked through the long days and additional workload that was required to get the job done during the harvest season. Most people that I have talked to have been pleased with their overall yields and grain quality. The dry fall helped with putting up some exceptionally good corn stalk bales and has allowed us to get some fall tillage done as well.



Mycotoxins are always a hot topic this time of the year depending on the growing season and weather.

Fortunately, we have seen little to no mycotoxin issues with this year's crop. It does not mean there may not be mycotoxins present in certain areas but from what we have tested and what we are hearing, our areas are not affected. This is a positive as mycotoxins can put a strain on our livestock, affecting certain animals in different ways depending on the type and levels present.

I want to take this time to give a big thank you to Chip Eberhardt, a customer service person in Elkader, and Becky Welch customer service person in Hopkinton for their years of service with IAS. Their dedication and commitment to excellence to IAS as well as our customers set the standard. Good luck with your retirement!

With that, I would like to introduce our new customer service representatives, Carmen Kracke in our Hopkinton location, and Laci Beck in our Elkader location. You may have spoken to them on the phone recently if you called in a feed order. They have both been spending the last several months at those locations training for a seamless transition.

Finally, a quick update on your IAS Feed Division. Volumes for the 1st quarter are down slightly from the previous year with our year-to-date income statement to last year. This time of year, we spend considerable time staying ahead of some of the logistical and supply chain challenges working to get inventory where it needs to be in a timely matter. Please work closely with your IAS Feed Sales and Location Teams to plan your feed needs through the upcoming holiday season.

Winter Weather and Feed Orders:

Winter is upon us with colder weather, shorter days, and at times, adverse driving conditions – it takes more time to get feed delivered. It is very much the IAS Team's goal to get feed delivered in a timely manner meeting your expectations. Our ask is that you work with your local mill teams to provide plenty of notice for us to do our job planning manufacturing and deliveries. It is a good idea to keep an eye on the weather forecast for the next few days as well to help plan around any potential weather events that may affect feed deliveries. Also, please have a designated location to leave delivery tickets and labeling. Your help is greatly appreciated.

IAS's order policy is to have orders called in by 12:00 noon for deliveries the following day. Additional notice is very much appreciated especially this time of year. Orders received after 12:00 noon will be subject to same-day order charges.

Grain Update

Charlie White, VP of Grain

Harvest season is all but wrapped up, and what a great harvest we had. Thank you to all our members for trusting IAS to help market your crops. I also want to thank the IAS employee team for putting in all the extra hours to keep our facilities open and running to deliver your grain into.

This fall had a few challenges and opportunities for grain marketing and logistics. Coming off the 2nd marketing year in a row with inverted market conditions, the pipeline of grain was empty which allowed early season premiums to be paid in some mar-

kets as harvest was slower to start. Low water levels on the Mississippi River caused barge freight to jump to historically high levels and to stay there longer than normal. The drought that has decimated the western US corn production has also provided a strong basis pull to the west which has allowed stronger bids at our rail terminals. However, the rail market has been overshadowed by the looming possibility of union railroad worker strikes for months.



I believe the value the IAS grain division brings to your marketing plan has shown through largely already this fall. With the river having logistics constraints, IAS was able to work with many producers to provide an outlet for grain at competitive prices along with flexibility on delivery points to help save on additional round-trip miles in freight. Having the rail outlets also have shown that market access diversity is critical to move your production to the areas that need it the most. Finally, with historically fast basis appreciation coming out of fall, our storage programs have provided a financial return at a fraction of the cost of space at home.



John Stewart
AND ASSOCIATES

Your IAS grain team is here to walk through risk management tools to assist in locking in prices and sorting through the daily market noise, along with offering additional contracts to enhance your marketing plan. IAS is excited to announce our partnering with John Stewart and Associates to offer a managed pricing contract to assist in marketing your grain. This new contract offering will be one that you can enroll a certain number of bushels into that will have the futures price set by grain trading professionals at JSA to take some of the decision-making pressures off those bushels. Along with the pricing mechanism, enrolling in this contract will provide weekly market analysis and information along with transparency on what marketing decisions are happening on these enrolled JSA Select contract bushels. IAS will be sharing the historical performance of this JSA Select program, along with contract specifics and how to enroll in the upcoming month.

Thank you, again, for your grain business with Innovative Ag Services. The IAS team looks forward to meeting many of you in 2023 as we host our Winter Grain Marketing Outlook meetings, be sure to watch for the invites coming out soon. Happy holidays!

2022 Capital Investments

Brian Operations, VP of Operations

Your cooperative continually invests capital on projects to maintain and strengthen its capabilities to service the customer. This past year was no exception. Here is a quick summary of some of those investments:

Rolling Stock Investments

Five custom application units were placed into service this past year. A John Deere 4970R tractor was purchased to replace a John Deere 8320R in Waukon that is used for the custom application of anhydrous ammonia. A new John Deere F4365 dry VRT floater replaced an older floater in Oran. Two new John Deere 612R row crop dry/liquid combo units were purchased to replace older units in Elma and Ellsworth. IAS has also purchased a drone this past year and has thus far used it to apply fungicides in areas with rougher terrain. (16) new double 1,000-gallon nh₃ running gears and tanks, multiple nh₃ toolbars, pickups, and fertilizer tenders were also updated this past year to continually update the Agronomy fleet.

Propane bobtail units and a propane transport trailer were updated in Energy as well as semi tractors and a new feed delivery auger trailer in the Feed Division. Six late models used semi-tractors were purchased to update the Transportation fleet as well as three new Wilson hopper bottom trailers.

Facility Storage & Handling

In Masonville, a 1-million-gallon ammonium thiosulfate (ATS) tank was completed in late winter. This tank allows IAS to procure ATS before the season to take advantage of buying opportunities as well as have the product on hand going into the spring season. The tank is plumbed into the newly built liquid facility in Masonville and will serve as a storage hub for the entire company. The Monona nh₃ facility had a plumbing overhaul that sped up the filling of tanks with new product lines, risers, and a second pump. The additional pump added redundancy to the system if one pump should fail during the season.

One of the existing grain receiving pits in Elma was made larger to accommodate the dumping of both hoppers without moving during unloading. A new reclaim system was installed in their flat grain storage building as well. In Williams, a second receiving pit was constructed to allow the receiving of multiple commodities at a time. This pit too was constructed large enough to accommodate an entire grain trailer while dumping. The Garden City facility had a receiving conveyor, automated distributor, and downspout replacements which improved the reliability of their receiving system. If not mistaken, this facility had the largest single-day take of grain bushels this past harvest which is a testament to the improvements made.

Additional grain storage has been built at our newer Masonville location in 2022. A new 105' diameter grain bin with a rated capacity of 710,000 bushels was added to this facility and complements the original 1.25 million bushel of space and receiving/grain drying infrastructure built in 2021.

Two new truck scales have been constructed in 2022. A new 12' x 80' pitless scale was built near the grain storage structures in Independence. The former scale used was sold as part of selling the location's "east site" on the east side of Highway 150. The new scale location vastly improved the traffic flow for the customer by eliminating the need to cross over a busy highway between weights. A new scale house was built, and a grain probe was relocated as part of this project as well. Central City's truck scale was replaced in late summer. The old scale was only 10' x 65' in size, was a pit scale and was getting worn beyond being dependable much longer.

2022 Capital Investments (continued)

Brian Operations, VP of Operations

The new scale has a 14' x 80' deck and is a pitless scale making it easier to maintain.

As you can see, IAS is continually improving its infrastructure, rolling stock assets, and fulfilling one of our IAS Purpose Statements: core strategies of “Investing in infrastructure that enhances the overall customer experience.”

I would like to thank everyone for their continued patronage of IAS and wish you all a safe and happy holiday season!



New Independence Scale



Elma Receiving Pit



Williams Receiving Pit



New Central City Scale

Agronomy Update

Tim Krausman, VP of Agronomy



We are already within 25 days of Christmas with deer hunting in full effect and would like to thank you for the opportunity to service your needs as fall comes to an end. Looking forward, we hope the growing season in 2023 has as good of yields as we had in 2022. Our geography was fortunate to have some of the best yields in the state of Iowa, as well as the entire United States. We certainly can see similar results with good planning, management, and weather.

Some things to be thinking about as you are working through your upcoming chem-

istry plans: weed resistance, current weed challenges in the fields, disease pressure (such as tar spot), insect pressure, and what traits you are going to utilize (Ex: Enlist or Xtend).

This is a very rare phenomenon; dry fertilizer appears to be going down in price from the peak this fall to this coming spring. The Nitrogen complex is still teetering up and down trying to figure out which way it will balance out. Like everyone, I hope that we end up on the lower end of the price spectrum.

Precision continues to be important as we ensure we get the most value out of the nutrients we apply in our fields. It also helps improve our application capabilities as our machines get updated with newer technology.

We continue to see sustainable agriculture as a very important part of our business. We intend to improve our ability to find programs and management decisions to enhance our overall sustainability while utilizing funding that is available to reward growers for doing the right things on their farms. We are in the process of trying to find additional IAS employees to enhance our offerings to customers.

Like always, I appreciate your continued business with IAS and would like to wish everyone a Merry Christmas along with a happy and prosperous 2023.

Safety Update

Bill Vetter, Safety & Compliance Manager

Winter will bring cold and wet conditions that can often be unpredictable and extreme, causing unforeseen situations. Farmers know work and chores don't stop for the weather and they must conduct outdoor tasks regardless of the weather condition. Livestock owners care for their animals and the grain farmers check and load stored grain in all types of weather conditions. The most we can do is prepare for the challenging weather conditions and be mindful of the task at hand. Advanced preparations will aid in a more positive, less stressful situation and hopefully prevent injuries. In cold weather, the body works harder to keep the core warm. Bring along a protein bar and water to keep your body fueled when out in the cold environment or have resources available if you are stranded for any length of time.

Safety Update

Bill Vetter, Safety & Compliance Manager

The most common injuries in cold, wet conditions happen because of slips, trips, and falls. Slips can happen anywhere and happen the most when entering and exiting a building, tractor, or vehicle, so be cautious and don't get in a hurry. Areas, where ice and water collect in the same area, are most susceptible to slippery surfaces. My advice is to walk carefully, take shorter steps, wear appropriate footwear, and have available some sort of ice traction devices for your boots when it is particularly icy.



Wear appropriate clothing to protect the core temperature with layers of clothing; especially to cover the head, neck, and hands. Layer up clothing while working as layers can be removed throughout the day, preventing sweating. Watch for cold-related warning signs for hypothermia with uncontrollable shivering, memory loss, disorientation, slurred speech, drowsiness, and exhaustion. Frostbite can happen quickly.

If you are experiencing extreme white/pale skin or numbness, move into a warm area immediately.

Snow removal imposes its own sets of risks including falling, slipping, muscle strains, frostbite, and heart attacks. Be sure to give yourself breaks. Caution must be taken when using a snow blower; either walk behind or PTO is driven by a tractor. Every year, there are reports of hand/fingers/body parts being caught or even amputations. Never use your hands to unplug an auger or discharge spout. Always turn off equipment instead of just disengaging rotating parts.

Of course, there are also winter driving hazards. Remember, roads and sidewalks are most slippery at 30 degrees (freezing temperature) than at colder temperatures. Prepare your car for the weather by checking the tires for tread and air as well as ensuring the windshield washer fluid is full and the wiper blades are in good shape. Slow down and leave extra stopping distance. Have an extra coat or blanket in the car for emergencies. Turn on your headlights if it is snowing as automatic lights will not always come on. If you're in an accident, stay in your vehicle until help can arrive. Keep your vehicle above $\frac{1}{4}$ tank of fuel in case of being stranded as you will have fuel to keep the vehicle running and stay warm. If involved in an accident, stay in the vehicle until emergency services arrive on the scene with the seat belt on (you never know when someone else will slide into your stranded vehicle).

Be careful when using additional heaters. Fireplaces can be dangerous and costly if not used properly. Keep anything that can burn at least 3 feet away and have a kid's free zone from playing or having blankets in close proximity. Always turn off or put out fires when unattended and do not leave them on when sleeping. Heating by alternate means other than the home's furnace is the second leading cause of home fires. Ensure you have a working smoke alarm and carbon monoxide detector in the same room. If plugging in a heater, do not use extension cords or power strips as they can overheat the cord and cause an electrical fire.

Taking simple precautions and being prepared prevent injuries and accidents. Have a safe, injury-free winter, and happy holidays.

2023 Calendar Photo Contest

We are proud to announce Sydney Sparks of Monticello, IA, as this year's Calendar Contest winner. Sydney submitted "Country Ditches" which will be Innovative Ag Services 2023 Calendar cover.

We would like to thank all contestants for submitting their entries. Many wonderful and unique photos were submitted this year, making the selection process very difficult for the committee. Numerous photographers are represented in this year's Innovative Ag Services Calendar.

Remember to keep taking pictures this year and have them ready to submit for the 2024 Calendar Photo Contest. It's never too early to start!

2023 Calendar Contest Winners

Page	Title	Photographer	Hometown
Cover	Country Ditchers	Sydney Sparks	Monticello, IA
January	Frosty Morning	Delia Kreimeyer	Ackley, IA
February	Feeding Time	Holly Bries	Guttenberg, IA
March	Foggy Morning	Rachel Kucera	Waukon, IA
April	Spring Application	Chris Castek	Monticello, IA
May	Beautiful Day in Sherril	Kathy Miller	Cuba City, WI
June	Tractors are Life	Johanna Hofmann	Marion, IA
July	Helping with Chores	Johanna Hofmann	Marion, IA
August	Sunset on the Creek	Brenda Schmitt	Waukon, IA
September	Apple Picking	Jodi Ahrendsen	Oxford Junction, IA
October	Delco Sunset and Cattle	Kevin Schuchmann	Dyersville, IA
November	Sunday Afternoon Rain	Jim Sewick	Waukon, IA
December	Snow Day	Holly Bries	Guttenberg, IA



Innovative Ag Services
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Monticello, IA 52310

2023 IAS Scholarship NOW AVAILABLE!

Innovative Ag Services, Co. (IAS) is proud to announce we will be awarding six scholarships in 2023. Each scholarship is an award of \$1,000 to a student who wishes to pursue a degree in the agriculture industry.

All applications submitted will also be entered into the Friedman Scholarship pool. This \$1000 scholarship is sponsored by Innovative Ag Services' retired CEO, Jack Friedman, and will be awarded to an individual that shows exceptional leadership qualities as well as a desire to make a difference in his or her respective field.

IAS understands the increasing costs of post-secondary education and is happy to extend a helping hand to the future of the industry. For questions concerning the scholarship program, please call 319-465-2022 ext. 1063 or email hr.dept@ias.coop.

Applications and information on eligibility is available on our website at www.innovativeag.com

Deadline: March 1, 2023



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