



A look back at fiscal year 2020



Harvest sky over the Colton, SD Agronomy Center



Living our purpose

Kent Mulder, General Manager

Whether you do business in Wausa, NE, Marshall, MN or anywhere in between. You expect us to be there for you and your operation when you need us. We've built a cooperative that drives farming forward, creating connections to empower agriculture.

CHS recently rolled out our new purpose, **Creating connections to empower agriculture**. As I think about this purpose, it resonates from our locations right to your farm gate. Where ever the job takes us, we're helping our owners. With every team member we have, we put our best foot forward. Everything we do is to help drive those connections to empower agriculture from our local cooperative to your operation.

This purpose drove us to evolve our core values, **Integrity, Safety, Inclusion and Cooperative Spirit**. Safety has always been at the forefront of our business and still is today. We want to ensure our employees and owners go home to their families each and every night. Integrity is something that stood out strong this year with the

COVID-19 pandemic. Thinking back to this time last year, things were unraveling days away from our annual meetings. We decided to cancel the meetings in what seemed like the eleventh hour, not really knowing if that decision was the right one or not. We did what we thought was right at the time in keeping our owners and employees safe, which ended up being in the best interest of all. I'm grateful for our board members, staff and vendors who quickly shifted and assisted in communication around the cancellation.

Little did we know, we'd be faced with a decision to move forward with a 2021 Annual Meeting or not. We believe in setting high standards, holding ourselves accountable and putting the safety of our owners and employees first every day. With that, we made the decision to not hold an in-person meeting again in 2021. In this newsletter, you'll find a recap of what we've done over the last year and how we've shifted to still serve you, even in difficult times. I want to thank you for your adaptation to our shift in the way we did business and your continued trust in our people. ■

Creating connections to empower agriculture.



Pictured: Back - Jason Algyer, Garvin Fire Department Volunteer, Mike Olson and Steve Meyer, CHS Producer Board Members, Brian Meier, CHS Agronomy Sales Manager. Front: Kent Mulder, CHS General Manager and Chris Bornitz, Garvin Fire Department Volunteer

Stronger communities

Part of the values behind doing business with a local cooperative is we give back to our rural communities. With the amazing work our local fire departments and emergency response teams, many of them being volunteer, we need to ensure that we are doing our part to help them be equipped with the gear and resources they need to be successful in responding to community needs. This year, we were elated to support the local volunteer Garvin, MN Fire Department and First Responders with a \$10,000 grant through our local CHS and the CHS Foundation. With this donation, we were able to fit the department with updated turnout gear - helmets, boots, bibs and coats.

“CHS is committed to making a long-lasting measurable impact on rural America and the agricultural industry. We just closed our 2021 CHS Seeds for Stewardship application period and can’t wait to bring the next donation to our rural communities.” - Kent Mulder, general manager ■

Stay in the know, while on the go.

Get real-time information with CHS text messaging.

Visit chsbrandon.com to sign up.



Early morning train in Canton, SD



2020 Producer Board

We thank our producer board for the time and dedication they spend making decisions on your behalf.

Retiring Employees

At CHS, we rely on the depth of knowledge and experience of our employees to deliver on our promise of creating connections to empower agriculture. We want to take a moment and thank our employees who retired over the past year. We would not be the company we are today without each and every one of these staff members.

- Mike Allen**
- Randy Bortnem**
- Patrick Clausen**
- James Delaney**
- Robert Evans**
- Carl Gehrke**
- Thomas Nelson**

- Bonnie Quissell**
- Dale Schmiesing**
- John Sohl**
- Chuck Springman**
- Dan Vanness**
- Brad Wilmes**



Tom Versaevel
Chairman
Region 5
Marshall, MN



Shawn Feikema
Vice Chairman
Region 2
Luverne, MN



Jonathan Hagena
Secretary
Region 4
Lennox, SD



Jerry Ellefson
Director
Region 1
Flandreau, SD



Merle Zeinstra
Director
Region 2
Holland, MN



Dan Burns
Chairman
Region 3
Baltic, SD



Jordan Qualm
Director
Region 3
Sherman, SD



Dave Poppens
Director
Region 4
Lennox, SD



Steve Meyer
Director
Region 5
Tracy, MN



Darrell Kleinschmit
Director
Region 6
Wausa, NE



Mike Olson
Director
At Large
Garvin, MN

Investing in the next generation

We've cultivated opportunity for our next generation of agricultural students by awarding twelve, \$500 scholarships to local high school seniors pursuing post-secondary education. This scholarship program is in its second year and as we extended our trade territory, we also extended the program from ten to twelve scholarships. We are proud to announce this year's recipients.



Cody Gifford
Arco, MN



Collin Johnson
Florence, MN



Zachary Klaassen
Sherman, SD



Taylor Kumm
Wausa, NE



Rhaegyn Petersen
Tyler, MN



Nathan Rombough
Crooks, SD



Mason Schaefer
Fordyce, NE



Jacob Schmidt
Garretson, SD



Christopher Sutherland
Flandreau, SD



Brayden Tofteland
Beaver Creek, MN



Luke Veldhuizen
Edgerton, MN



Ethan Wright
Brandon, SD

“It’s an honor and our commitment to ensure we’re helping make a long-lasting, measurable impact in the endeavors of our future agricultural leaders.”
– Kent Mulder, General Manager

Our 2021 scholarship program is open for applications now through March 21, 2021. For details and an application, please visit our website, chsbrandon.com ■



WANT TO KNOW MORE?
Visit us at chsbrandon.com and follow us on Facebook, Twitter and Instagram.



Sunrise over the Ruthton, MN grain facility



A year of shifting

Kent Mulder, General Manager

What a whirlwind of a year. Who would have guessed that we would deal with a global pandemic that would put many factors of the economy and trade into a roller coaster of a year. A year where our team had to shift in the way they see customers. We've built the cooperative system and doing local business with a handshake, watching your kids at the football games and catching the local pancake breakfast for the next fundraiser. Everything we knew for generations shifted at the drop of a hat. I commend each and every one of our employees and customers for their ability to navigate uncharted territories and do business unconventionally. In a year where everything was unordniary, our team showed up in extraordinary ways. Helping you make decisions when you needed to and also helping their fellow employees and locations when they needed an extra hand. This year just goes to show that no matter the circumstances, we can still get the job done.

As you'll see in the financial information, we had an extremely successful fiscal year in 2020 given the many challenges that arose. Prevent planted acres in 2019, played a major role in our outcomes as that crop crossed into our fiscal year ending August 31, 2020. Regardless, we were still able to keep our balance sheet strong and put up very positive numbers. Service income stayed steady and as always, our employees did an exceptional job at controlling the things they could control with shoring up expenses. I am always proud at our ability to reinvest in the cooperative. In fiscal 2020, we were able to finalize a well needed \$3.4 million project in Ruthton, MN with a 750,000 bushel bin. Beyond this, an additional \$6,709,772 was invested back into the cooperative system. Some of these investments include, five floaters and five sprayers, two feed semis and converting the anhydrous ammonia tanks to 96,000 gallons of propane storage at the Magnolia, MN Ag Center. These projects ensure we are providing best-in-class service powered by local expertise. A special thanks goes to our producer board members for being forward looking and supporting these investments.

As we look to the future, know you can count on our team to be there for you. ■

Financials

CHS (Brandon)	FY 2020	FY 2019
Grain Margins	\$4,811,705	\$6,257,832
Merchandise Margins	\$31,697,249	\$35,598,793
Service Income	\$17,227,770	\$17,466,870
Total Margins	\$53,736,724	\$59,323,495
Expenses	\$49,974,387	\$51,615,779
Local Savings	\$3,762,337	\$7,707,716
Patronage	\$2,323,130	\$2,360,759
Total Net Savings	\$6,085,467	\$10,068,476



The cooperative gave us roots;
this year gave us the ability to
adapt and reach new heights.

*Tom Versaevel,
Board Chairman*

Nimble, while getting business done

As Kent talked previously, the employees at CHS did an outstanding job adapting to doing business differently. As I've served on the board for many years, we've always been able to have the sales person at the kitchen table or stop in to the local office and catch-up on what happened in the overnight markets. To say the adjustment to the way I even do business was hard is an understatement. The way our producer board members shifted to virtual meetings is remarkable.

I want to take a minute and thank Bryce Hanson for his service to our board through 2019 as we didn't get to thank him properly with the meeting cancellation. I also want to welcome our new board member representing the newly formed region 6 covering Nebraska and the southern tier of South Dakota, Darrell Kleinschmit. Darrell has been a great addition to the board and has brought an exceptional voice to the southern part of our trade territory. In speaking about elections, the board has voted to freeze elections until 2022 due to the cancellation of the annual meeting. As always, if you are interested in running for future positions on the board, please contact your local producer board member and we'll be happy to get you the details.

Before I close, there's one item of business we do need to take care of. Enclosed with this newsletter, you'll find a patron ballot and return envelope. I would ask that you review the ballot, vote and mail it back to the office. A vote of approval allows our local board to carry your vote to the larger CHS Annual Meeting.

Change has been talked about quite a bit in 2020, and while change is inevitable, the understanding of how technology can keep us together from a personal and a business perspective is astounding. Being nimble to figure out a new way to continue to give best-in-class service and get business done is what makes me proud of this board, the producers and the cooperative that we represent. ■

MY CHS

Your CHS business is just a click away



MyCHS web app:

- Mobile and tablet friendly
- Intuitive, easy-to-navigate
- Accessible anytime
- Filtering and view options

A single sign-on lets you see your CHS activity in one place: agronomy, energy, grain and seed. Find contracts, bookings, settlements, prepays, invoices, and more. Register for access today at our website!

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