

PRO-VISIONS

PRO COOPERATIVE MEMBER NEWSLETTER

QUARTER 2

JANUARY 2021



PRO
COOPERATIVE



A NOTE FROM PRO'S CEO: TERRY PANBECKER

In October of 2020, Pro Cooperative welcomed Terry Panbecker as the new CEO. The beginning of January marked his 100th day on the job. Terry gives a glimpse of what his first few weeks have entailed and shares some thoughts to the future of Pro Cooperative. Panbecker shares:



At the beginning of my time here at Pro, I knew that this company had great potential! I started my CEO journey with meeting Pro employees and customers at the appreciation grill outs this fall for our farmers and customers at our locations. This experience was electrifying! I have enjoyed interacting with the farmers and listening to some of their concerns. During this process, I also was learning the business and how the previous leadership had run the business in years past. This provided me an opportunity to learn from the team members on what worked and what was needing to be improved. Pro Cooperative as a company, has amazing people that work here! As I went around to the locations, this experience confirmed that Pro Cooperative is a company that I want to work for and lead into a successful future.

Looking into the future of Pro Cooperative, I am excited to see where our company goes. Between the strong management team, a collaborative and open-minded Board of Directors, and excellent team members at all our locations, I think we have a great foundation here at Pro Cooperative to continue to grow our company and make it more successful far into the future. Meeting our customers' needs and focusing on how our team members can improve the customer relationships is where I would like to focus on in my role as CEO. My goal is to build trust in all facets of our company. This includes improving our relationships with our members and customers as well as increasing business opportunities to drive our financial success!



Terry is pictured interacting with members and employees

IMPROVEMENTS

-Graettinger-

At our Graettinger location, Pro is updating its conveyor system located under the bins. This outdated system will be replaced with AR plates. At the beginning of 2020 harvest, the location noticed the overhead conveyor system was cracked and was leaking rainwater and grain debris into the system's annex. The outdated conveyor system was old and rusting from the leakage. As soon as the parts arrive on location, the system will be updated.



Pictured above is parts of the outdated conveyor system in Graettinger

-Manson-

Manson received an updated forklift in early December to help with the efficiency of unloading and loading trucks. This Mitsubishi three stage forklift can load directly into the chemical blender for agronomic needs as well as move bagged feed. The addition to the location has increased efficiency and safety all around. The Mitsubishi forklift replaced an outdated and unsafe two stage forklift.

Pictured is Perry Barrett using the new forklift to move a pallet of chemical in Manson



PROGRESS AT PRO: 2020 MAJOR MILESTONES



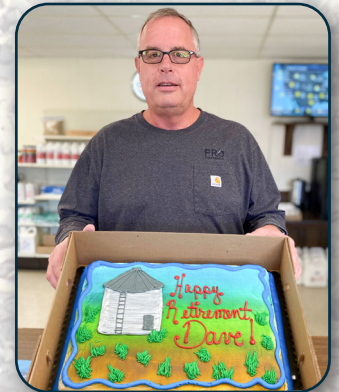
Record Soybean Harvest in Rutland!

Pro's Rutland location received more soybeans this past harvest than previous years! With the updated facilities, great yields and competitive grain prices, the bushels received in Rutland increased this year. Other locations that were quite close to making a record year includes: Rolfe, Pocahontas, Havelock and Terril. Congrats Rutland!



Happy Retirement, Mike and Dave!

Two of our location managers retired in 2020! Mike Schall, from our Gilmore City location, worked for Pro for 28 years and retired before the new year. Dave Forey in Graettinger also retired this fall. Dave had been at Pro for 40 years. Thank you both for your dedication and leadership to Pro Cooperative! Enjoy retirement!



Havelock's Bean Train

Pro's Havelock grain location loaded its first ever soybean train in mid December of 2020! It was a huge accomplishment and success for our grain department. Thank you and congrats to all those involved in this process!.



PRO'S NEW GRAIN TRUCK DRIVER: DARRELL TITUS

Darrel Titus, a Graettinger area native, is now Pro's newest grain truck driver! Darrel is based out of the Graettinger location where he originally started as an Operations II worker. "When I heard the Graettinger location was looking for a grain truck driver, I wanted to take a chance at this opportunity". When asked what he enjoys the most about working at Pro Cooperative, his response was, "I really like the people I work with here at the Graettinger location! I start my morning in the office, checking the route and the weather, then shortly after, I get on the road and haul grain. My goal every day is to keep the semi and trailer between the ditches!". Congrats on your new position, Darrel!



PRO'S NEW GRAIN TRUCK DRIVER: DAVE HOLTZCLAW



If one were to sit and have a conversation with Pro Cooperative's grain truck driver, David Holtzclaw, it is easy to see his passion to work hard and to be a truck driver, "I knew since I was a little boy that I wanted to be a truck driver. I started my professional career as a mechanist after being in the Army National Guard. Before this role at Pro, I was at the Plover location unloading grain trucks. But when I first started at Pro, I was a feed truck driver at the Plover and Rolfe location. I appreciate that Pro provides opportunities for their employees to move around within the company and progress".

Holtzclaw enjoys driving the grain truck and being a part of team that acknowledges all employees of operation. "Truck drivers can be easily forgotten about, but every role here at Pro is important. Pro appreciates the truckers just as much other positions". The Ohio native not only has a strong work ethic but is also a great mechanic. "One of the biggest things that I stress on and off the job is safety. I do a pre-trip inspection every morning before departure from Havelock. I understand machines and I think that is an important thing to know as a truck driver". Congrats, Dave!



PRO'S GRAETTINGER LOCATION MGR: CHRIS JENSEN

“Pro Cooperative is a company that wants to help their neighbors. My family has agricultural roots up in the Graettinger area and working for Pro means that I can continue to help the producers in this area be successful far into the future”



In the beginning of October, Chris Jensen began as the new location manager in Graettinger. Jensen is originally from the Ruthven area and was excited to take this leadership role that would directly help his hometown neighbors. “Pro Cooperative’s customers and producers have a great relationship with Pro’s employees; when I saw the job opening here in Graettinger, I knew that I wanted to join this team”



Shortly after living and working in Des Moines following HS graduation, he decided he wanted to live near his hometown. Jensen attended college at Iowa Lakes in Emmetsburg for Construction and Business Management. Shortly after receiving his A.A degree, Jensen worked for POET-Project Liberty in Emmetsburg as the Operations and Maintenance Manager. “What I learned at POET will directly help me be successful in my new position at Pro. From safety on the job, to daily organization and team building, they are fundamentally essential to creating a successful work environment”.

“I am very lucky to work with these folks at the Graettinger location; they helped make the transition of me starting so smooth! They are also super passionate about the success of the company while still creating and maintaining the relationships with the customers.” Jensen started as the location’s manager in the heart of the 2020 fall agronomy season. “Lime, potash, and Anhydrous Ammonia application were in full swing! I jumped right into helping where I was needed - especially preparing and loading the application trucks with the switch board (see photo). I am excited for the future of this location as well as the future of Pro Cooperative”
Welcome to Pro Cooperative, Chris!



PRO'S NEW MANSON OPERATIONS III: RYAN PETERS



“I believe my time in the Navy strengthened my leadership abilities. I can take what I learned in the military and use it in my role here in Manson at Pro Cooperative”

“This position of Operations Worker III in Manson is the perfect opportunity to grow my leadership abilities and continue learning in all aspects of a cooperative system!”

Ryan Peters shares excitement for his promotion in Manson. Peters' grew up in the Pocahontas/ Rolfe area and shortly following his high school graduation, he joined The United States Naval Academy. During his time in the military, he was a Machinist Mate where he oversaw the daily maintenance of the ships he was stationed on. The E-6 Petty Officer First Class traveled around the world with the US Navy where he led a hundred other military personal.



After serving the in US Navy for more than 20 years, Peters returned to Iowa in 2018 and started his journey at Pro Cooperative in Rolfe as a Custom Applicator. Once he received his proper applicator trainings and his CDL, he wanted to continue growing his leadership abilities and applied for the Operations Worker III position in Manson. “I want to be a leader that leads by example and Pro Cooperative offered me this opportunity to grow in Manson.” Aaron Heggen, Peters' supervisor shares, “Ryan is a great worker and an awesome individual! He is organized, attentive to detail, and is quite personable! I am very excited for Ryan on his promotion; he has been a great addition to our team in Manson!” Congratulations, Ryan on your promotion to Operations Worker III!

PRO'S NEW GILMORE CITY LOCATION MGR: CHRIS JONES

At Pro Cooperative's Gilmore City location, there is a familiar face managing the location. Chris Jones, originally an Operations III at the location, is now the location's manager. Following the retirement of Mike Schall, Jones accepted the position. "Mike had laid a great foundation here in Gilmore and I am thrilled that I can continue his legacy. He had great ideas to help improve the location and with my leadership and guidance I think progress can be made". Jones started as the location leader at the beginning of 2021.



"Pro Cooperative has many opportunities for its employees! When I started working here 10 years ago, I knew that I wanted to progress in the company. Pro provided an atmosphere to help expand my leadership skills. I enjoy working with everyone here in Gilmore and I look forward to the future of this location!"



Jones, an Iowa Central Community College graduate, started his professional career in the manufacturing and welding industry. "I worked as a machinist for a few companies before coming to Pro. After the economy tanked in 2008, I needed to find a job that was more local and more stable". The Cement Plant location here in Gilmore City is where Jones started his career at Pro. He supervised the grain elevator and ran the Anhydrous plant at the location. Just before the Cement Plant closed, Jones moved to the Gilmore City elevator location and went to agronomy. Shortly after that transition, he accepted the Operations III position.

As Jones looks towards the future of Pro and for the Gilmore City location, he shares, "My goal is to grow the grain department. We have a strong agronomy department here in Gilmore and I want to build off that platform to expand the grain department." Jones also shares, "The employees here are really awesome to work with every day! They have great relationships with the producers in the area and it is awesome helping them thrive in the environment that we have here". Congratulations, Chris on your new position here at Pro!



AGRONOMY UPDATES

Did you know: If you spray dicamba, a restricted use pesticide, federal law requires an annual training?

For farmers to continue benefiting from the use of dicamba on their crops, this mandatory training will be held every Wednesday in February and March. The training is held virtually.

To sign up for the online training and find more information:

<https://training.roundupreadyxtend.com/>

Training is required if you are planning on applying these dicamba or auxin-specific products:

XtendiMax® herbicide with VaporGrip® Technology

FeXapan® herbicide Plus VaporGrip® Technology

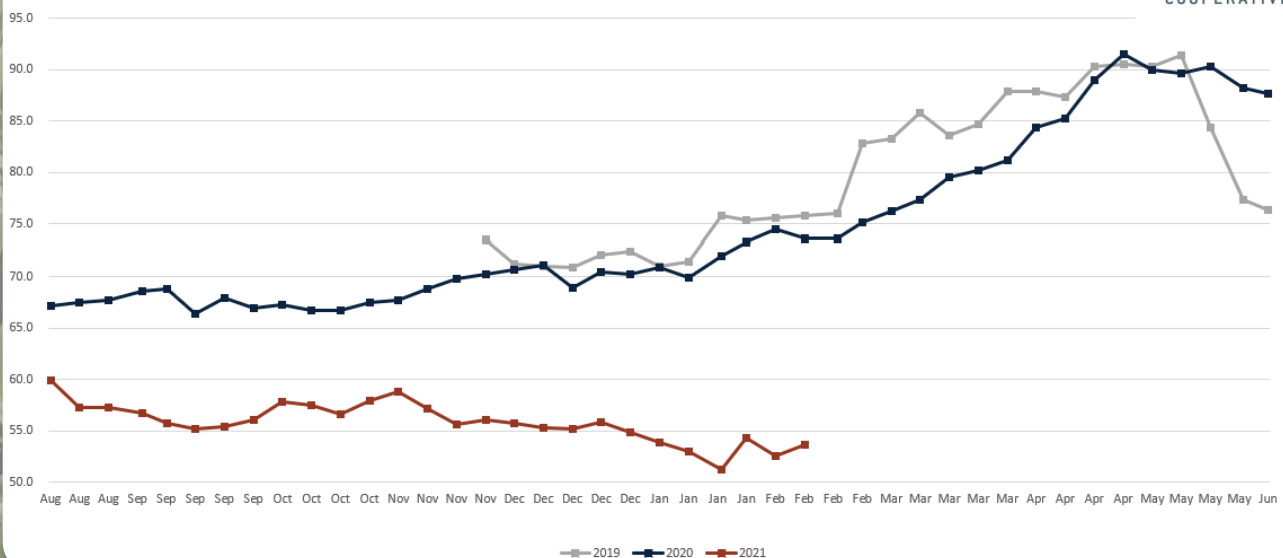
Engenia® herbicide

Tavium® Plus VaporGrip® Technology

Pro Cooperative is offering discounts for booking chemical and fertilizer early in 2021! Contact your local Pro agronomist to learn more!

New Crop Bushel to Ton Ratio: UAN

Spring Applied UAN (32%) Price divided by Fall Delivered Corn Price



Fertilizer prices have taken a slight increase from where we saw them this past fall. In addition, the higher corn/soybean prices have more than offset these increases - still making it favorable to get your inputs locked in sooner than later! The chart above is sharing Pro's 32% fertilizer verses the corn prices. Fertilizer prices are rising but the increase in corn prices are more than offsetting the cost of inputs. Furthermore, the chart shows one ton of 32% fertilizer costs 20 fewer bushels of corn this year compared to last year.

ENERGY UPDATES

Are you ready for DUST season?!

It may not feel like it now, but spring and summer will be here before we know it!

That means that dust season will also be here shortly.

Pro Cooperative can help you manage the dust on the gravel roads.

Our effective dust control application can be sprayed on gravel roads in most counties of our trade area. The biodegradable and eco-friendly product is typically applied twice in a year.



3 Benefits of a Pro Cooperative dust control application:

1. Can reduce health issues: Breathing in dusty air can be harmful on the body.

Small particles of dust can travel into our homes and affect the air we breath. With Pro Cooperative's dust control application, the amount of harmful dust particles can be reduced with just one application!

2. Healthy crops and surrounding vegetation: Plants and vegetation need to undergo photosyntheses, a biological process that turns sunlight into the plant's energy. This process starts on the leaves of the plants. If the plants leaves are dusty, it makes it challenging for the plant to complete this process. A dust control application on the gravel roads can help the plants be successful by limiting the amount of dust on top of the leaves.

3. Safer driving conditions: Gravel road dust can make visibility challenging for drivers. A dust control application reduces the amount of particles that is kicked up into the air when a car drives on the gravel road.

Source- <https://dustchllc.com/industries/roads/>

Be sure to call one of Pro's Energy team members before May 1st to reserve your space for the 2021 dust season.

FEED UPDATES

Pro Cooperative's Honor Show® feed for cattle, lamb and swine - NOW AVAILABLE!

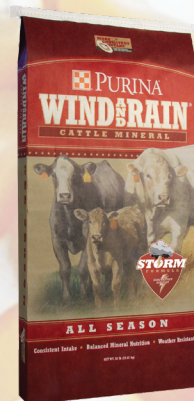
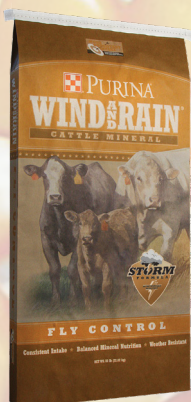


Pro Cooperative's show feed is available in bagged feed as well as ground and mixed show rations!

For questions or to ensure the product you would like is at your preferred Pro Cooperative location, please contact:

Haley Davis 712-358-2494 or Chris Bormann 507-220-3610

Stay tuned for our bagged and tubbed cattle mineral sale later this spring! There will be discounts you do not want to miss out on!



©2021 Purina Animal Nutrition LLC. All rights reserved.

GRAIN UPDATES

Secure High Prices, Stay In The Market!

How can a farmer lock in today's high prices, but still participate if the rally continues?

Pro Cooperative's Minimum Price Contract allows you to lock in a cash price, putting in a price floor. Then using a Call Option, this contract type allows you to add value to your cash sale if prices rally and the Call Option increases in value.

The steps for a Minimum Price contract:

1. Sell cash grain
2. Buy a call option
3. Sell the call option



Let's walk through an example:

1. Sell Cash Grain: Farmer sells cash corn at the posted nearby bid of \$5.25 cash.
2. Farmer purchases an At The Money call option against July futures at a \$5.40 strike price.
 - a. The call option costs 40 cents plus transaction fees of 3 cents.
 - b. Farmer receives a cash advance on the corn of \$4.82 ($\$5.25 - .40 - .03$)
3. If July Futures expire below \$5.40 the call option becomes worthless and the farmer keeps the original \$4.82.
4. If July Futures expire above \$5.40 the value between expiration and the strike price is added to the original cash price.
 - a. If July Futures expire at \$7.00, \$1.60 is added back to the original cash price ($7.00 - 5.40 = 1.60 + 4.82 = \6.42)
 - b. In addition, you can sell the call option at any time between the day of purchase and the day of expiration. If the market has rallied and your call option has increased in value, you can sell and add that money to the base price of \$4.82.

Pros

- Locks in a definite floor price at today's high prices.
- Generates cash today to pay for inputs or reinvest in farm operations.
- Stops commercial storage rates.
- Allows for participation in a continued rally.

Cons

- Call costs more than commercial storage (roughly 40 cents of call premium vs roughly 24 cents in storage Feb through June)
- Call options may not increase penny for penny as the market rallies prior to expiration.
- Transacted in 5,000 bushel increments.

Contact your Pro Grain Team member to learn more!

PRO COOPERATIVE'S LOCATION SECRET SANTA

At the beginning of December, holiday festivities were in full swing! As an alternative to hosting the Annual Pro Holiday Party, each location secretly wrapped a gift for another location. Some of the gifts included numerous Weber grills, a few popcorn machines, a couple kitchen microwaves, among others. The locations were judged on the cleverest wrapping job, the best wrapped gift, as well as the location that guessed correctly where their gift came from. To spread more holiday cheer, Pro's Facebook audience voted for they thought wrapped the best gift and who did the best wrapping job. Thank you to all who participated! In the pictures below are some of our favorite wrapped gifts from locations.



"Thought that the Pocahontas TBA needed tools for assembly! - Package with handmade bow on top of SpongeBob SquarePants wrapping paper with Elf Shelby next to it!"



"Santa's belly with a special package next to him!"



"Larger than life snowman!"



WINNING PRIZE
A 2020 specific toilet paper tower and a VISA card for the 3 winning locations



"Reindeer package made out of old wreath décor next to a 4 foot tall snow shovel tower!"



"A Christmas themed Shadow Box with a hidden gift explaining the actual gift!"



"A deflated tire as wrapping paper securely by Duck Tape, garnished with a tennis ball snowman and metal stockings!"

WINNER of the 2020 specific toilet paper and VISA card! -Ayrshire



"Christmas Gnome with special wrapped gifts from celebrity pigs!"



"Holiday wrapped popcorn machine overflowing with snacking essentials!"



"A Duck Taped displayed Santa!"

WINNER of the 2020 specific toilet paper and VISA card! -Rolfe



"Deflated inflatable snowman stuffed with gifts and secured with packaging wrap and accessorized with a wood engraving!"



"The package was wrapped inside the tire. To uncover what the gift is, deflating the tire was necessary!"



"Miniature real Christmas tree hot glued onto the package with ornaments and a star, carried by Elf Grace!"

PRO'S BOARD OF DIRECTORS



Election Results



Robert Brinkman was reelected as the Rolfe Region Board Seat. Robert has been a huge addition to the Pro Cooperative Board; he has been offering leadership, knowledge, and experience as a board member for 15 years. Robert is a corn and soybean farmer in the Rolfe area and shares he is eager to continue to work with Pro and is excited to continue to see Pro progress!

Brady Shelgren was elected as the Gilmore City Board Seat. Brady returns to Pro after being a summer crop scouting intern during his time at college. After graduating college, he returned to his family's corn and soybean farm. He shares he is excited to join Pro Cooperative to help spark new ideas and interest with the younger generation of farmers in the area!



Pictured above is the 2021 Pro Cooperative Board of Directors. Back row from L to R: CEO-Terry Panbecker, Nick Wiemers, Secretary-Darin Refsell, Jeff Kerns, President-Jim Shimon, Pat Geelan. Front row L to R: Vice President-Robert Brinkman, Brad Shelgren, Tim Quade, Luke Langner.

PRO COOPERATIVE'S 2020 VIRTUAL ANNUAL MEETING

On January 8th, 2021, Pro Cooperative Board of Directors hosted its 2020 Annual meeting. This virtual meeting was held in Pocahontas, Iowa at the Pro Cooperative Headquarters. At the time of the meeting, with the regulations from the Iowa Governor as well as keeping the safety of our members and employees in mind regarding the protocol of COVID-19 safety, Pro Cooperative decided it was in the best interest of all to host a virtual meeting. Pro Cooperative Board of Directors were present in person, practicing the proper protocol for safety, while other Pro Cooperative members and employees attended the meeting virtually via a Zoom video call. The Board of Directors successfully conducted an official annual meeting with a proper quorum and parliamentary procedure.

To provide a quick recap of the meeting, board election results were announced to our members and board members. Robert Brinkman was reelected, Luke Langer and Brady Shelgren were seated on the Board of Directors. Then, Todd Glynn, a Certified Public Accountant from Meriwether Wilson and Company, PLLC, shared Pro Cooperative's financial standings. Following Todd's update, Terry Panbecker, Pro Cooperative's CEO, provided an update. Terry provided information on Pro Cooperative's past year's capital projects, showcased a department breakdown of how each department did in 2020 compared to 2021- financially speaking, and finally discussed some implementations that will occur at Pro cooperative to improve the business overall.

If you missed the meeting and would like to watch it, please visit our website. It is located under the OUR COOP tab on the top of our website's home page, labeled as ANNUAL MEETING VIDEO. <https://www.procooperative.com/our-coop/annual-meeting-video>



Randy Davis has retired from the Pro Cooperative Board of Directors at this past annual meeting. Randy and his wife, Tracy, are corn and soybean farmers in the Gilmore City area. We hope you enjoy retirement, Randy and thank you for your leadership on the Pro Cooperative Board of Directors for the last 25 years.

Craig Borchers also retired from the Pro Cooperative Board of Directors. Craig had been with the Board prior to the merger of Pro Cooperative and First Cooperative of Ruthven. Craig and his family are farmers near our Wallingford and Graettinger locations. Thank you, Craig, for your past 16 years of leadership on the Pro Cooperative Board of Directors!



PRO HELPS THE LOCAL COMMUNITIES



The City of Estherville is building a new swimming pool for the city and the surrounding area. In partnership with Land O' Lakes, Pro Cooperative donated to the project; presenting the check is Pro's Gracie Vathauer to The City's Park board representatives Penny Clayton (L) and Laurel Hash (R). The City's pool project is expected to be completed by May of 2022.

Pictured is Pro's Terry Panbecker and Gracie Vathauer providing a donation, with additional funds requested from the Land O' Lakes Coop Member Match Program, to The Pocahontas Community Projects Fund for the Elbert Park Improvement Project in Pocahontas. Accepting the check on behalf of the Elbert Park Improvement Committee is (L to R) Parker Aden, Corrine Peterson, Helen Beneke, and Bonnie Wood.



This past fall, Pro Cooperative partnered with Land O' Lakes and donated to The Dickinson County Sheriff's Dept. This donation will help provide child safety and drug prevention education programs for children and their parents. Dickinson County Sheriff, Gregory Baloun (L) and Chief Deputy Tony Peterson (R) accepted the donation on behalf of the Dept from Pro's Gracie Vathauer.

Pro Cooperative supports our local law enforcement and first responders. Gracie Vathauer is pictured here presenting a donation to The Pocahontas Police Department's Reserves, Zach Vader (L) and Chris Howland (R). This donation will be used for the reserve officers to receive new uniforms and additional training for this 2021 year. Pro Cooperative and Land O' Lakes combined funds to generate this donation.



PRO'S 4TH ANNUAL HARVEST PHOTO CONTEST WINNERS:

Congratulations to the winners of Pro Cooperative's 2020 Harvest Photo Contest! The two different categories were public and Pro employee. Thanks to all who participated in this years photo contest! We are excited for 2021 harvest and the photo contest!

1st place - Justin and Mackenzie Carlson



2nd Place - Jill Williamson



Public
Category

3rd place - Brecken Johnson



1st place - Susan Sikora

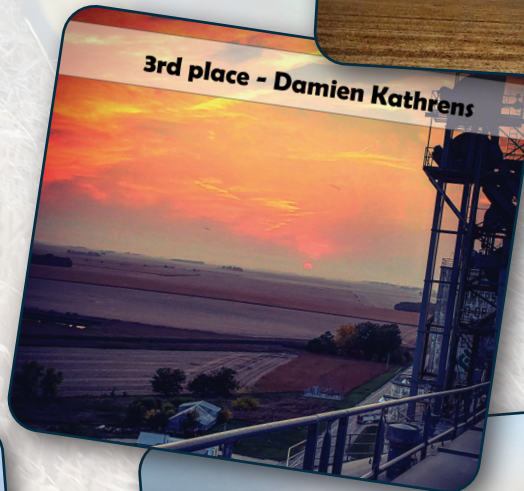


Pro Employee
Category

2nd place - Chris Jones



3rd place - Damien Kathrens



3rd place - Bob Allan





PO BOX 189
17 3rd AVE NE
POCAHONTAS, IA 50574



LOCATIONS

Ayrshire	515-884-8410	Laurens	515-890-5460	Rolfe	515-890-5430
Bradgate	515-375-6523	Manson	515-890-5409	Rolfe Heartland ..	515-890-5473
Estherville	712-362-3857	Milford	712-338-2223	Rolfe TBA	515-890-5463
Gilmore City	515-373-6174	Pioneer	515-373-6513	Ruthven	515-884-8430
Gilmore City TBA..	515-373-6452	Pocahontas	712-335-3575	Rutland	515-332-1491
Graettinger	515-884-8298	Pocahontas HQ ..	712-335-3060	Terril	515-884-8452
Havelock	515-890-5402	Pocahontas TBA ..	712-335-3611	Wallingford	515-884-8462
		Plover	515-890-5420		