



GEARING UP for SPRING

YOUR PARTNER  **in the FIELD!**

www.newcoop.com

MARCH 2019





Several grain projects that had been approved by NEW's Board of Directors were highlighted in previous newsletters last fall, and over the winter. I would like to provide you with a progress update on a couple of those projects. The large grain project in Blencoe, consisting of additional storage capacity, improved grain receiving, and a new dryer, has begun and will extend into the summer months. The new grain storage approved for our Anthon location will begin as soon as spring arrives and will be a great addition to our member service capabilities in that area.

In February, your Board of Directors approved another grain expansion project for the Duncombe location. Duncombe, one of NEW's largest grain and feed locations, has seen a remarkable shift over the years in the direction its grain moves to market. In 1996, NEW built its first (at the time) large feed mill at Duncombe. That grain demand has quietly grown into a larger and larger percentage of Duncombe's yearly corn receipts, which brings us to today's reality at that location. Duncombe's feed mill utilizes 100% of all the corn it originates. Due to storage limitations and demand for corn at that site, corn must be hauled out of that location in the fall, only to be hauled back a few months later when space is available. In the grain and feed manufacturing business, this "double-hauling" is costly, inefficient, and does not make economic sense for NEW or the feed customer. To address this issue, NEW will be constructing a 750,000-bushel concrete silo on the west end of the current facilities to reduce this double hauling. To address the growing grain receipts and speed with which producers harvest today, we will also improve receiving capacity with a new large pit and a 20,000—bph leg as well. Our feed mill in Duncombe operates around the clock and shows no signs of slowing down. Duncombe was the third facility to join NEW in late 1973 and has been a corner-post to NEW's success ever since. Thank you to the area members that have allowed us to build such a long-term successful location.

Our team works tirelessly to produce a positive bottom line that allows us to allocate patronage refunds.

Shifting gears now to another topic that is on many people's minds with the start of the New Year: filing income tax returns. Each year, NEW reports to our members, via a 1099—PATR form, both the member's allocated patronage refunds as well as their PURPIM grain purchases. NEW takes great pride in allocating significant cash patronage refunds back to our members every year. Our team works tirelessly to produce a positive bottom line that allows us to allocate patronage refunds, paying 30% of these refunds in cash back to our member-owners, and also consistently revolving our deferred equity. You will have to look long and far to find another farmer cooperative that is nearly as current in its equity revolvment as NEW.

At the end of each fiscal year, NEW's Board of Directors evaluates whether to retain and use internally the Domestic Production Activities Deduction (DPAD) or to pass it through to the members. Since the inception of the DPAD in the mid-2000's, NEW's Board has made the decision to use the DPAD internally to reduce our corporate income taxes. With NEW's marginal tax rates being near 45%, the Board has felt the DPAD would be more useful to the Cooperative you own to reduce corporate taxes. NEW could have elected to allow individual members to utilize their PURPIMs to calculate their own DPAD, but under the tax rules in effect prior to 2018, the DPAD is limited to a maximum of 50% of wages paid. The great majority of members pay minimal, if any, wages. As an example, if a member did not pay any wages and calculated their DPAD using their PURPIMs from NEW, the DPAD would be limited to 50% of \$0 wages paid, or a \$0 allowable reduction in your taxable income. NEW's Board has always felt the DPAD is a valuable deduction that should be maximized. NEW is able to fully utilize the DPAD deduction due to our earnings, whereas in the example above, our membership would not. Most of our farmer/members are organized as sole proprietorships and file their farm taxes on a Schedule F using the cash basis of accounting. These cash basis farmers can utilize tax deferral techniques, like deferred pay grain and expense prepayments, to manage their farm income without depending on the DPAD.

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grain marketing plans and improved execution



get your questions answered about the benefits and potential for grain that goes directly to the feed mills.



customer service

Receive personal texts from Garrett with time-sensitive special opportunities.



multiple contract options

Learn which grain contracts can give you more monetary value with minimal risk.



MARKET TRENDS

Stay informed on different technical and fundamental market trends affecting your grain.

CONTACT GARRETT gnelson@newcoop.com | **POMEROY OFFICE: 712-468-2611**

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A number of NEW's neighboring farmer cooperatives tout passing back "x" cents/bushel of DPAD to their members. This is, in reality, a marketing angle by these organizations who have not had the profitability necessary to utilize the DPAD internally. Furthermore, you must remember that even if a member receives a pass-through DPAD, the value of this deduction is in reality the member's marginal tax rate multiplied by the pass-through deduction, and in many cases, is probably only worth 25-35% of the deduction amount. By utilizing the DPAD internally, NEW has given its member-owners the maximum value of the deduction.

With the passage of new tax laws for 2018 and beyond, the DPAD is being replaced by a Section 199A deduction, which is similar. NEW will be studying the changes brought about by this new Section 199A deduction and may choose to continue taking the full 199A deduction, or choose to pass some of the deduction through to members. Rest assured, NEW's Board of Directors and management team will consult with our tax advisors to make the best decision possible for the entire membership, as a whole, in regards to utilizing the Section 199A deduction going forward. At the end of the day, NEW's Board of Directors and management operate this company with the mindset of being good stewards of the company you own. NEW believes that its owners would rather receive a yearly patronage check and deferred equity revovement payment rather than a deduction that you may not need or be able to utilize.

The start of a new growing season is right around the corner, with only a few short weeks until planting begins. This spring will bring with it one of the largest workloads in years for you and your Cooperative. Our team is ready to start a new season over once again and serve your farming needs to the best of our abilities. Have a safe planting season and thank you for over 45 years of support you have shown to NEW Cooperative.

DAN DIX | *General Manager*



THANK YOU FARMERS!

MARCH 14, 2019

AGRONOMY UPDATE

Managing yields has become more and more challenging each season. Now is the time to look at last year's input decisions and your year-end history. Evaluate the positives and negatives, then work with your agronomist to insure a successful 2019 crop. I think we can all agree that our Iowa weather has the final say on what we are going to produce in any given year. That being said, there are certain steps you can take to ensure you give your fields the best chance at optimal yields and even the odds with Mother Nature.

Some of the key building blocks to a successful crop year you can control are; fertility, seed, and chemistry. Good fertility can help buffer mother nature's curve balls thrown at your crop. Root uptake of your N-P-K will vary from year to year, due to amount of rainfall and temperature mother nature provides. The better fertility foundation you have will help ensure you meet your yield goals. ■

NITROGEN (N)	PHOSPHORUS (P)	POTASSIUM (K)
Functions: Promote plant growth Increase protein content of crops Improves quality of crop Helps to stay green and dry down	Functions: Important in energy transfer reactions Stimulates early root formation and growth Aids in seed formation	Functions: Better nitrogen use efficiency Increase disease resistance Strengthens stalks, thus reducing lodging
Deficiency Symptoms: Yellow appearance Slow growth Firing of leaves	Deficiency Symptoms: Dark green, purplish leaves, and stems Slow growth and maturity Poorly developed root system	Deficiency Symptoms: Necrosis of leaf margins (Yellowing on leaf margins) Lodging prior to maturity due to weak stalks Crooked small narrow ears



FERTILIZER

Have you fertilized for your yield goals? For example, to raise 220 bushels of corn means you will haul 12,320 lbs. of corn off of that acre. To do this, your plant would have used a total N-P-K fertilizer of 264-83-66 for a total weight of 1,095 lbs. (UAN, MAP, POT fertilizer products used). Talk to your NEW Cooperative agronomist to make sure your fertilizer needs are met for your 2019 yield goal.

chemistry



HERBICIDES



FUNGICIDES



INSECTICIDES

The chemistry program consists of three areas; herbicides, fungicides, and insecticides. Your herbicide program goal is to keep weed competition to its very minimum from robbing critical nutrients needed for your crop. The goal of your fungicide and insecticide program is to keep your plant healthy and free of diseases and insects, so it has the full potential of using the nutrients, sunlight, moisture, and other key elements of crop production to maximum your yield. Please contact your local agronomist for your 2019 individual crop yield needs and goals.

NEW Cooperative has been making plans all winter to provide the help and equipment to our members this spring due to the heavy workload ahead of us!

IMPORTANT DATES TO REMEMBER

In order to allow timely documentation and follow up of a crop protection product performance issue, please be aware of the following dates.

June 30 | Last day to notify NEW Cooperative regarding fall applied, or pre-plant crop protection product issue.

August 10 | Last day to notify NEW regarding a pre-emerge, or post applied crop protection product issue.

seed

Choosing your seed can be very confusing. There are multiple seed companies in the industry using the same genetics licensed-out by the same genetic suppliers. There are good odds, you could be planting the same genetic hybrid and two different seed brand bags. Today, the seed business continues to have marketing programs tied to your seed purchase. Examples of this are; equipment programs, financing, and vacations. The seed you choose to plant for the 2019 crop season is a very delicate and important choice and should be made off proven history of performance and agronomic characteristics. To ensure you are meeting your true seed needs having a good relationship with your seed advisor is very important. The seed you plant is a living organism with different abilities. (For example, you wouldn't buy a miniature horse to run the Kentucky Derby even though both are horses.)

The last thing but still very important item to consider on your Seed Beans is your options on seed treatments. The seed bean industry for 2019 is experiencing some of the lowest germination tests we have seen in years resulting from the difficult soybean harvest conditions last fall. NEW's basic fungicide seed treatment includes an active ingredient that promotes germination of your seed beans to improve your overall stand counts. NEW handles a multitude of seed bean treatment options to help you meet your yield goal from normal fungicides, insecticides, Soybean Cyst Nematode and Sudden Death Syndrome. Technology in the seed treatment business continues to evolve and bring new treatments to protect your yield from these yield-robbing issues. Contact your local agronomist on any seed treatment benefits for your farming operation.

PRECISE Positioning FOR SPRING

The NEW Cooperative Precision team can get you precisely prepared with a GPS subscription package that will help minimize costs and maximize yields.

SUBSCRIPTIONS

FARM READY FOR YOUR FIELDS

With a RTK subscription package from NEW Cooperative you will be able to stream RTK data in the GPS receiver in your cab. We offer two different subscriptions to in order to fit your current set-up.

DIGIFARM BEACON v3.0

Seamlessly stream RTK data into any receiver (including John Deere SF3000) without the need for cables. Simply plug the Beacon v3.0 into your receiver, program your login information into the DigiFarm app on your tablet, and hit connect. Within seconds you will be streaming RTK data directly to your receiver. It's that simple!



FEATURES

- Use a device that you already own and may already be paying a data plan
- No need to purchase expensive radios or base stations
- Stream RTK through iPad using NTRIP App
- No cables for Trimble devices, adapter cables for all other brands
- Ruggedized and weather resistant
- Also works with Android and Windows devices



TERRASTAR™ by AgLeader

Embedded into cost effective compatible receivers, TerraStar provides decimetric accuracies at high update rates for planting, spraying, yield mapping, soil sampling, crop walking, vehicle guidance, and farm asset management.

TerraStar C for 6500 Receiver and TerraStar Pro for 7500 Receiver.

to sign Up CONTACT



Arlyn Goraczkowski
P. 515-570-0775



Glen Worrel
P. 515-571-5786



METER CALIBRATION REMINDER

Contact your hardware representative before planting season to ensure firmware and modules are all up-to-date.



FURROW CRUISER

FOR IDEAL STARTER PLACEMENT

- Allows young roots to penetrate sidewalls
- Fits into your existing closing wheel hubs
- Prevents furrow from re-opening
- Angular tooth design helps prevent clogging
- Built-in depth control allows for use with multiple crops
- Works in virtually all soil and tillage conditions

AVAILABLE FURROW CRUISER KITS:

Furrow Cruiser 7000/7100 JD Conversion Kit (2 Per Row)
The kit includes (2) Complete assembled wheels, pins, bolts and nuts to convert the JD 7000 and Kinze Pre 1993 planter tailpiece to bolt-style.

Furrow Cruiser Case IH Conversion Kit

Furrow Cruiser Complete Assembly (2 Per Row)

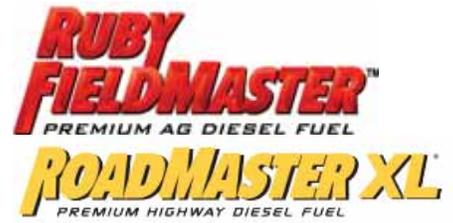


As we approach spring, the geo-political atmosphere hasn't changed much. OPEC+ is still holding back production in an attempt to bolster crude oil prices. Sanctions on Iranian oil are in place, the trade war between the United States and China wages on, but for now the United States has the upper hand and China has come to the table for talks. Also brought to the fore-front is the ongoing political crisis in Venezuela and the U.S. sanctions on Venezuelan crude oil. Energy prices have since rebounded from hitting new lows in December, because of all of this going on, market expectations will drive the energy markets more so than fundamentals.

Locally, the longer than normal harvest that we experienced last fall has left work undone which will give way to a much busier spring. As it stands right now there will be an adequate supply of diesel fuel with demand being determined by the weather and how soon farmers can get back into the field for spring work. Now is a perfect time to get diesel barrels topped off and lock in your spring contracts for farm diesel. Once the season hits there could be a huge demand for product and usually with a big demand diesel prices will tend to go up.

NEW Cooperative knows you expect quality fuels and we are proud to offer true premium diesels with Ruby Fieldmaster and Roadmaster XL. When you use these products, you are getting an additive package that includes detergents, a cetane improver, corrosion inhibitors, storage stabilizer, an injection stabilizer, extra lubricity and demulsifiers. There is no fuel on the market better than Ruby Fieldmaster and Roadmaster XL.

We offer forward contracting for refined fuels and propane, fully prepaid contracts, fixed price contracts with a deposit down with flexible delivery periods, and competitive pricing on transport loads. For all your spring and next fall energy needs, please contact us at any Region 5 location or the Lidderdale location. We are looking forward to meeting your energy needs and we THANK YOU for your business. ■



Cenex Ruby Fieldmaster carries the best warranty program of its kind in agriculture. Our optional, no-hassle warranty program covers your farm equipment for up to ten years or 10,000 hours, including fuel injectors in new or used equipment for five years or 5,000 hours. It's the extra step we take to make you even more secure in your investment.

FOR YOUR REFINED FUEL NEEDS CONTACT ONE OF THESE LOCATIONS

Hornick 712-874-3211 • Ute 712-885-2249 • Pierson 712-375-5611 • Lidderdale 712-822-5211



Throughout the year NEW Cooperative representatives attend college and community career fairs. If you are interested in learning more about opportunities at NEW Cooperative, please visit us at one of the upcoming events listed below.

Iowa Lakes Community College

March 4th 1:00 p.m. – 2:30 p.m.

Northwest Missouri State University

March 6th 8:30 a.m. – 1:00 p.m.

Iowa Central Community College

March 29th 10:00 a.m. – 1:00 p.m.

Duncombe, IA The NEW Cooperative Foundation is pleased to present a donation to the Duncombe Fire Department. NEW Cooperative is proud to support our local fire departments who are dedicated to providing their time and energy to serve our local communities.

On Friday, February 8, 2019, Daniel Schmauss NEW Cooperative Region One Manager, Steve Daniels, NEW Cooperative Duncombe Location Manager, and Don Campbell of NEW Cooperative representing the NEW Cooperative Foundation presented a check to members of the Duncombe Fire Department in the total amount of \$500.00

Picture from L to R: Dan Schmauss, Don Campbell, Steve Daniels, Tony Ascherl, Todd Bingham, and Eric Klien



Knoke, IA The NEW Cooperative Foundation is pleased to present a donation to the Knoke Fire Department to help with funding to finish their new fire station. Recently, a new fire station was built in the town of Knoke, as the old station was out-dated and very small. With the funding provided by NEW Cooperative Foundation and Land O' Lakes Foundation, they will be one step closer to finishing the fire station and updates needed to protect area people from Knoke and Pomeroy.

On Friday, December, 21, 2018, Marlyn Holtorf, NEW Cooperative's Pomeroy Location Manager, Braden Holtorf, NEW Cooperative Pomeroy Agronomy Sales Specialist, Holly Frerk, NEW Cooperative's Communication Specialist, Troy Melohn, NEW Cooperative Board Member, and Kerry Peterson, NEW Cooperative Board Member, representing the NEW Cooperative Foundation along with the Land O' Lakes Foundation presented checks to members of the Knoke Fire Department in the total amount of \$4,000. ■



Duncombe, IA The NEW Cooperative Foundation is pleased to present a donation to the Duncombe Public Library. NEW Cooperative is proud to support our local libraries as they are dedicated to providing service to our Duncombe community.

On Friday, February 8, 2019, Daniel Schmauss NEW Cooperative Region One Manager, Steve Daniels, NEW Cooperative Duncombe Location Manager, and Don Campbell of NEW Cooperative representing the NEW Cooperative Foundation presented a check to the Duncombe Public Library in the total amount of \$250.00

Picture from L to R: Eric Klien, with Duncombe Public Library Board Member, Steve Daniels, Arrin Lura with Duncombe Public Library, Dan Schmauss, and Don Campbell. ■





BLENCOE PROJECT UNDERWAY

WHAT'S TO COME IN 2019

- 750,000 Bushel Concrete Slip
- 20,000 Bushel-Per-Hour Grain Receiving
- 6,000 Bushel-Per-Hour Dryer

REGION ONE LOCATION MANAGERS



BLAIRSBURG
MICHAEL NELSON
Location Manager



DOWS
RON SCHACHTNER
Location Lead



DUNCOMBE
STEVEN DANIELS
Location Manager



ROWAN
Dan SCHMAUSS
Location Manager



VINCENT
STEPHEN LANE
Location Manager



WOOLSTOCK
KEVIN SCHMAUSS
Location Manager



REGION ONE UPDATE

A view of the Dows location from the top of a Rowan feed mill.



2 MILLION GALLON UAN TANK at the Vincent Location is scheduled for completion in 2019



Lime and fertilizer applications have been going well due to open winter in december and January

This will help in the upcoming hectic spring outlook since little of the fall nitrogen was applied.



Want to know if your fields have been sprayed? Sign up today to be notified by text

Call your local agronomist to get signed up.



MAKE SURE YOUR PRIVATE PESTICIDE LICENSE IS CURRENT

Visit your county extension office for training and testing dates.

REGIONAL managers

Proud to serve our local growers and happy to assist with ag needs.



DAN SCHMAUSS
Region One



DOUG YETMAR
Region Two



ROD BRANT
Region Three



CHRIS BLAIR
Region Four



JARED ERHP
Region Five



COOPER PROJECT UNDERWAY

WHAT'S TO COME IN 2019

- Additional Warehouse Space
- Additional Liquid Fertilizer Storage



2626 1st Ave. South
Fort Dodge, IA 50501
RETURN POSTAGE REQUESTED



NEW Cooperative’s Agronomy team held a total of six Grower Training Sessions on the Climate FieldView product from January 22-24, 2019. Climate Field View is the digital ag platform that gives you data-driven insights to maximize your return. Growers who attended the meetings had the opportunity to learn about Climate FieldView in-season specials, look back at 2018 harvest, and make decisions for the 2019 growing season.

If you are interested in learning more about the Climate Field View, contact your local NEW Cooperative location today. ■

PROUDLY SERVING THESE IOWA COMMUNITIES

Anthon	Bode	Dows	Humboldt	Lidderdale	Otho	Roelyn	Vincent
Badger	Clare	Duncombe	Knierim	Lohville	Palmer	Rowan	Washta
Barnum	Coon Rapids	Fort Dodge	Knoke	LuVerne	Pierson	Sloan	Whiting
Blairsburg	Cooper	Glidden	Lanesboro	Mapleton	Pomeroy	Turin	Woolstock
Blencoe	Correctionville	Hornick	Lanyon	Onawa	Rands	Ute	