

Eric Van Zee (left) and Chris Starrett (right) are the team behind SV Aerial & Consulting. This spring and summer, they will be conducting aerial drone spraying across the Key Cooperative territory.



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CONNECTIONS

A publication dedicated to informing and connecting members.



Key Perspectives Remaining vigilant in 2023

By Boyd Brodie, General Manager,
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AS WE WATCH the 2023 crop emerge, we need to vigilantly monitor new crop marketing opportunities. The challenge will be knowing when to pull the trigger to establish those positions in a declining market that's being pressured by a multitude of factors.

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Drones, Trains and Automobiles!

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

REMEMBER PLANES, TRAINS and Automobiles? The 1987 comedy stars John Candy and Steve Martin as two travelers who are stuck without plane rides home and unexpectedly become companions. The movie documents nearly every form of transportation as the two men try to get back home for Thanksgiving. Would they have ever thought that one day there would be drones in our skies?

Unlike airplanes, unmanned aerial vehicles (UAVs) are not used to transport people. Instead, they gather information or give an aerial perspective. The earliest recorded use of a UAV was in 1849 for warfighting. In 2015, recreational drones flooded the market and have since scientifically advanced many industries, including the ag industry.

“There is a segment of growers asking specifically for drone technology,” said Key Cooperative COO & Agronomy Division Manager Brent Deppe. “And with the ever-changing landscape, we need a partner who can deliver this technology to our member-owners and customers.”

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The 1-2-3s of Lubricants for Agricultural Equipment

Article courtesy of CHS and Cenex.com

A SOLID LUBRICANTS plan with a definitive maintenance schedule can help you reduce downtime and extend the life of your equipment. The summer months are a good time to create that maintenance schedule, reevaluate your products to ensure you're using the right ones for your operation and start a routine to keep your equipment running smoothly. Here is a quick guide to help you get started.

A "SOIL TEST" FOR YOUR ENGINE

First, you should conduct an engine oil analysis. Like the testing you do to gauge the nutrients in your soil, an engine oil analysis takes a sample of used oil to provide you with valuable information about the condition of your equipment.

The LubeScan® used oil analysis kit—available at every Key Cooperative location—offers a proactive approach to oil analysis for various equipment components, including engines, transmissions and hydraulic systems. A LubeScan kit analyzes oil samples and provides you with a report, alerting you to any concerns about your equipment before they become catastrophic. These tests can be used for any brand of oil, not just Cenex brand oil. They are sent to a third-party lab for quality testing.

WHAT LUBRICANTS ARE RIGHT FOR MY OPERATION?

You should also check what the original equipment manufacturer (OEM) recommends in terms of lubricants and other products for your equipment. Cross-reference the OEM recommendations with recommendations from Key's Certified Energy Specialists. Cenex lubricants are tested and proven to meet or exceed OEM manufacturer specifications.

TOP LUBRICANTS FOR AGRICULTURAL OPERATIONS

There are three types of lubricants every operation needs to keep farm equipment running at peak performance:

1. Diesel engine oils: Cenex offers three advanced diesel engine oils. Maxtron® Synthetic Diesel Engine Oil comes in two varieties: Maxton DEO, a synthetic

blend, and Maxtron Enviro-EDGE®, a full synthetic diesel engine oil. These engine oils operate in the toughest conditions and provide up to seven times more shear stability than competitor oils with less advanced formulations. The third engine oil Cenex offers is Superlube TMS®, which is formulated with para-synthetic base oils to provide enhanced engine protection and improved operability in the dirtiest conditions.

- 2. Tractor hydraulic fluids:** A quality tractor hydraulic fluid is essential to keeping moving parts lubricated and helping reduce friction. This lubricant can minimize downtime by reducing friction and providing superior pump, gear, brake, transmission and hydraulic system protection, all increasing the longevity of your equipment. Premium tractor hydraulic fluids also significantly reduce noise and damage caused by wet brake chatter. Cenex offers two premium tractor hydraulic fluids: Maxtron THF+, a full synthetic multifunctional product for enhanced all-weather performance, and Qwiklift® HTB®, a universal tractor transmission and wet brake fluid.
- 3. Greases:** Cenex has a variety of greases, including Blue Gard® 500+™, a multipurpose lithium complex that's flexible enough for most applications but tough enough to handle severe conditions. Cenex also offers Red Protect XT®, an extra-tacky lithium complex that's long lasting and water resistant and protects equipment from rust and corrosion.

Performing regular maintenance and using premium products will help keep your equipment operating at its full potential. The Cenex premium line of lubricants can help you minimize downtime and maximize field time for optimal profitability.

CONTACT YOUR KEY CERTIFIED ENERGY SPECIALISTS FOR MORE INFORMATION:

Rick Kucera, 641-780-1624

Chad Larson, 515-290-0009

Bob Rabey, 641-521-6318 ●

Enter SV Aerial & Consulting. This spring and summer, SV will be a contract applicator, conducting aerial drone spraying across the entire Key territory. This service will be coordinated through Key Agronomists.

“We have a great relationship with SV Aerial & Consulting,” said Brent. “Their go-to-market strategy is much like ours: using the latest and greatest technology, focusing on customers and constantly evolving.”

SV is made up of a dynamic duo out of Grinnell with lifelong connections to agriculture and Iowa. Eric Van Zee and Chris Starrett met in 2005 at the Iowa State Patrol Academy. Flash forward to March 2020, when the company was born out of Eric’s experience at his farm operation in Jasper County and Chris’s aviation training and experience as a certified flight instructor.

Professional drone usage is now

regulated by the FAA. In fact, at this time, the FAA does not actually separate drone flying from true airplane flying. So for several years, SV has worked toward completing all the regulatory requirements to certify their drone service with the FAA.

“We strive to provide a professional, legal service that meets all the industry standards,” said Eric. “We want our farmers to know they’re being provided the best service.”

“This type of partnership is the best-case scenario for both Key Cooperative and SV,” added Chris. “Key provides the recommendations and the product, then we apply it. Truly a win-win for both of us.”

Why choose aerial drone spraying? Drones can apply consistent levels right above the crop because they follow the topography of the field. A drone also forces the spray down, so the product can reach the bottom

leaves of the plant. An airplane, on the other hand, must dive down, which means all the acres may not get a consistent cover due to uneven terrain, trees, windmills, etc. Alternatively, a ground machine may have to make turns in small spaces and end up running over crop. “This is not a plane versus drone battle,” said Chris. “Rather, the drone is validation that aerial is a good option for a field.”

SV can fly up to three drones in the same field with one operator; this is known as a swarm. In the months ahead, SV will complete variable rate testing as well as some crop scouting to determine how to offer those services to customers in the future.

“We plan to have some demo days around Key locations so growers can see how the drones operate and determine if they would be a good fit for their fields,” said Key Sales & Marketing Manager Kelly Els. “Additionally, we feel that partnering with SV will help us expand our internal trial program. Drone application will allow us to test more products and replications of products like fungicides and foliar fertilizers.”

This year, SV Aerial & Consulting has a goal of flying more than 10,000 acres, utilizing three other pilots and support staff. Next year, they intend to nearly triple those acres, adding nine more drones and more pilots if necessary.

“As ag becomes more and more important to feed the world, we have to find efficiencies and become better growers. Drones could be one way to do that,” concluded Eric. ●

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Key Cooperative is pleased to offer 4-H & FFA members special financing on feed for their animal projects! This financing option allows youth to charge feed to their individual account with Key and not accrue any interest until after the project is complete.

Financing is available now and balances are due in September. Each 4-H or FFA member participating in the financing program will need to fill out a brief project summary form and submit a credit application for approval. Contact our feed specialists to get started today!

Jasper, Mahaska, Marshall, Poweshiek & Tama Counties:
Ceara Smothers | 641-260-6179
Dustin Drexler | 319-560-4442

Boone, Polk & Story Counties:
Justin Crocheck | 515-291-0763
Kelcie Bohning | 515-232-6515



Show Supplement Promotion

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**All Purina® High Octane®
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- Golden Ticket
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- Ultra Full

Products for Show

- Cattle
- Lambs
- Pigs
- Goats
- Poultry



Beef Feed Promotions

April 1 - May 31, 2023

Spring Booking Program

Booking options now available for Purina RangeLand Calf Creep B90 pelleted calf creep supplement. Booking intentions need to be placed by May 31, 2023. Delivery or pick up purchases need to be made by October 31, 2023. Bulk calf creep products can be picked up at our Grinnell, Barnes City, Newton or Gilbert locations. Bulk products can also be delivered to your farm.

Spring Mineral Program

Special pricing now available on a variety of Purina Wind & Rain mineral products. Fly control products are encouraged during the upcoming summer season. Pricing options include booking, take early delivery, or prepay for delivery at a later time.



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Cattle Consultant
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May is National Beef Month!



Key proudly supports Iowa's
hardworking beef producers.



Stuck in a Gray Area in April

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

MID-APRIL WAS an interesting time. We had a solid first week of planting mid-month, but then rain and flurries kicked us out of the field. New crop corn futures were a direct reflection of the weather. Generally speaking, we're still above breakeven, but we just can't seem to get back up to a price level at which most of us would like to sell more. So, we're stuck in this gray area right around the USDA's projected price for next year until one of two scenarios plays out: 1) Either the weather in the Midwest will give us another break and we'll continue at an above-average planting pace, or 2) We won't get a break in the weather, and we'll start to spiral down the path of yield loss concerns due to late planting, switching acres last minute and prevented planting.

Take a look at the snow map from April 17. At that time, we were at roughly 7 percent planted corn in Iowa and 8 percent nationwide. The "I" states have had a pretty good jump on planting, and the Dakotas aren't looking too bad either because their snowpack has melted off pretty well. These conditions might bring some flooding concerns into the market headlines, but the Dakotas do have almost two months left to dry out and get seed in the ground.

In my opinion, the predominant story for the next two months will be U.S. weather and planting. There's

not much room for error on our crop, so our weather story will be the most closely watched, other than a couple of potential black swan headlines throughout the rest of the world.

Probably the most prominent such headline outside the U.S. is the continued dispute between the U.S. and Russia on the extension of the Black Sea grain export agreement. The United Nations is saying that the agreement was extended for six months, while Russia is saying only three months if banking sanctions fail to be lifted. This dispute could take Ukraine's available grain supply off the market on May 18, which tells me that old crop grain prices needed to keep a premium in case this happens.

The second potential black swan headline would be a war with China

over Taiwan. In the past couple of weeks, tensions between the U.S. and China have been increasing. Clearly, I don't know what, when or if anything will happen between China and us, but it makes me nervous knowing that they consume roughly half the world's grain. Remember what our soybean prices were just a couple years ago when we had a trade war with China and lost that demand?

Lastly, Brazil's safrinha corn crop will be worth watching. The tail end of their bean harvest ran dry, but since planting their second crop, Brazil has received some solid rain. With a global weather pattern supposedly changing from La Niña to El Niño, Brazil has the potential to get the continuous rainfall they need to produce a better-than-expected corn crop. ●





Congratulations Graduates

Join us in celebrating our 2023 scholarship recipients. We wish them the best in their future endeavors!

Community Scholarship Recipients



Trice Clapper
Baxter High School



Abigail Dies
Gilbert High School



Karli Herrstrom
Boone High School



Bridget Johnson
Bondurant-Farrar High School



Libbie Johnson
Roland-Story High School



Oliver Louden
Grinnell High School



Conner Maston
Lynnvile-Sully High School



Delaney Runner
East Marshall High School



Lincoln Vander Molen
Pella Christian High School



Toby Vander Molen
Pella Christian High School



Eliza Van Zee
Pella High School



Cody Wirth
Gilbert High School

Family Scholarship Recipients



Alyssa Bassett
Lynnvile-Sully High School



Sadie De Jong
Montezuma High School



Tyler Heithoff
Roland-Story High School



Halle Hoefing
Winterset High School



Carley Janssen
Norwalk High School



Jonah Schumacher
Pleasantville High School



Teddy Vande Lune
Southeast Polk High School

Welcome, 2023 Interns!

- **Jacob Aldrich**, Sully, Sales Agronomy
- **Ben Boender**, Grinnell, Precision Ag
- **Nick Brennecke**, Grinnell Agronomy Center, Sales Agronomy
- **Brendan Davidson**, Grinnell Agronomy Center, Sales Agronomy
- **Ethan Davis**, New Sharon, Sales Agronomy
- **Tyler Ekstrom**, Zearing, Sales Agronomy
- **Peyton Elliot**, Kelley, Sales Agronomy
- **Caleb Freeburg**, Grinnell Agronomy Center, Operations
- **Carli Henderson**, Gilbert, Feed Sales
- **Joey Jacobs**, Nevada, Sales Agronomy
- **Kobe Julius**, Nevada, Operations
- **Noah Kallem**, Story City, Sales Agronomy
- **Dylan Klinker**, Newton, Sales Agronomy
- **Megan Mauss**, Grinnell, Feed Sales
- **Carlie Miller**, Grinnell, Feed Sales
- **Jake Nichols**, Sully, Sales Agronomy
- **Todd Sheeder**, Nevada, Operations
- **Wyatt Siefken**, Grinnell, Precision Ag
- **Emily Wical**, LeGrand, Sales Agronomy
- **Kolby Winter**, Nevada, Grain

We've established a bottom for ending stocks in 2022 for both corn and beans. It's hard to imagine the ending stocks shrinking in 2023 from the production side, as bean acres are neutral and corn acres are up nearly 2.5 million acres (they have to come from somewhere). The extremely drought-ridden areas in the West are also shrinking with the El Niño-Southern Oscillation (ENSO) converting to El Niño.

On the use side, forecasted exports appear to be overestimated. That's partially due to the premium that exists for U.S. crops, making us the residual supplier. The grind and crush will remain under pressure as the economy establishes its new equilibrium sometime in the third or fourth quarter of 2023, when the interest hikes finally land the plane. How intact it will be is another question. Downward pressure from the energy markets is another factor that will affect use, thanks to the buildup of inventories in that sector. As Zack Gardner notes in the grain article, ongoing and escalating global conflict will be the wildcard in 2023 (just as it was in 2022), especially if exports out of Ukraine or other parts of the world become unstable.

On the fertilizer and energy side, we welcome a drop in inputs for finishing this crop and positioning for 2024. However, we're up in the air as to the right time and when there will be availability to lock in pricing and supplies.

For the energy sector, there is a significant buildup of inventories in propane and refined fuels compared to the five-year average. Producers continue to rapidly increase their export capacity. Natural gas has proven its willingness to sell to the best world markets, with no regard for domestic supply needs. In short, any perceived cushion in supply is less than a warm fuzzy, since it can literally go away in the blink of an eye. Continued demand from the European Union as it migrates from Russian supplies and the United States' need to rebuild the reserve will keep other market demand strong for the foreseeable future.

We continue to see a strong reset in crop nutrient pricing across all commodities as the industry attempts to end the season with empty tanks and sheds. In 2008–2009, we experienced a very similar run-up and

reset. This time around, it's driven by the global reaction to Russia's invasion of Ukraine, China's protectionist stance and profit-taking by producers. It will again be difficult to determine the actual bottom of the market for this area, but it appears it will finish at or below the 10-year average. Fortunately, the ratios to corn and bean prices will also be near historic values.

We must continue to focus on maximizing production to be in the best position to take advantage of opportunities from market volatility. Matching up grain sales with input contracts to lay off market risk will continue to be a sound strategy. Keep in close contact with the Key Grain team and our Agronomy, Energy and Feed Specialists. They will help you align with any opportunities that arise. We're excited to work hard and provide innovative solutions for you as your essential business partner in the months ahead. Stay safe and be productive! ●

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This summer, enjoy special pricing on 20 lb. grill cylinder exchanges at Key Cooperative!

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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 at 515-388-8030 or at Sara.Clausen@keycoop.com.