



YOUR CO-OP REMAINS STRONG



By Nick Alderson, CEO

Our annual meeting took place on January 21st in Spearfish at the Holiday Inn Convention Center, where we presented our audited financial report as well as a look

back on fiscal year 2021. There was a reelection of 3 board of directors: Dane Clemetson, Philip Habeck, and Casey Miller.

Our team is proud to say we had another great year at CBH. In fiscal year 2021, \$95.7 million was generated in sales, and our local net earnings reached \$3.1 million with a local return of 3.28%. This year, through cash patronage and equity redemption, we are pleased to say that we will be returning nearly 1.5 million back to our patrons.

This past June, our board of directors and senior leadership team held a strategic planning session. The session ended with 5 Strategic Initiatives. Through collaboration and a strong passion for serving our patrons, all 5 goals noted to the right were met or exceeded.

Later in the newsletter, you'll hear from Todd Reif and Brandon Hofer regarding your spring agronomy needs and learn about this year's spring program that can get you what you need in time for the season. Be sure to reach out to either of them with any questions or concerns you may have.

I'd like to introduce our new Director of Retail, who has been doing a fantastic job, Garrett Young. We are thrilled to have him aboard, and look forward to the new ideas, implementations, and perspective he brings to the table when it comes to ensuring our patrons have a great experience at any one of our c-stores. Read on to learn more about Garrett and some of the upcoming improvements we are making to our retail locations during this fiscal year. As always, I thank you for your continued patronage and am looking forward to working with you in 2022.

Strategic Initiatives

Capital Management Program

With the merger of the 2 cooperatives in May of 2018 there were 2 different approaches to Equity Management and redemption. We brought in several industry experts to assist in creating a sustainable plan for future redemptions.

Operational Cost Metrics

Each of our business units have scorecards or metrics that we are reviewing monthly with our leadership team, as well as the board. This type of continuous improvement is what has assisted our Cooperative in achieving 3% local net earnings.

Neighborhood Relationships

CBH is here to work with our neighboring Cooperatives and Businesses for the wellbeing of our community. Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

Talent Development Program

We have nearly 160 employees; we prefer to promote from within our cooperative and encourage our employees to grow and develop their talents. We have employees attending classes such as Foundations of Finance, Foundations of Supervision, and Cooperative Finance Education.

Market Strategy for Growth

Utilizing technology has given CBH the opportunity to capture GPS coordinates of our current customers, allowing the Cooperative to focus on areas of efficiency and sales together in each of our business units. This allows CBH the ability to add volume and growth without additional assets and employees.

HANDLING SUPPLY SHORTAGES



By Todd Reif, Director of Ag, and Brandon Hofer, Belle Fourche Feed & Ag Manager

Everyone is familiar with the supply chain challenges.

It has transitioned across the globe and touches virtually all industries connected to the heart of agriculture. For example, last year, we managed to keep supplies up for wire and posts until late summer even though everything connected to iron was extremely tight. We did run into supply chain issues with SmartLic® barrel orders going into last fall. Additionally, RT3 also remained in good supply to our patrons though manufacturing was cut off very early in the season. Shortages, for us, were limited to these three things and thankfully, we made it through last fall. We have been diligently working since fall roundup on forecasting needs and working with ranchers and suppliers to properly restock everything for winter and spring needs.

We had been somewhat immune to the shortages in that a majority of our products are sourced in the upper Midwest (e.g., grain-based sources like feed, seed, or plant food). In cases like crop protection and ranch supplies we did have good numbers on hand and kept fairly flush by ordering ahead of our needs. Up until now it has been more of a freight situation that needed to be resolved, so we modified our business to become more self-sufficient with upper Midwest sourcing and adding internal freight solutions to the program. This cut our delivery times from months into days in most cases.

Now, we face a non-covid related situation, the drought. Things like seed were hit the hardest because most small grains and rangeland grasses were put up for hay, or production was cut to a fraction of normal yields. With that said, we have gotten our hands on some great early stocking options, meaning there is a certain amount available for early booking. Steel related products are freeing up this winter. As we head into spring, I do anticipate we will see limited supply and likely higher prices when it becomes available. **Ordering earlier, rather than later, will guarantee you both supply and pricing.** Waiting until after the season begins will likely bring limited availability and substitutions that can have a serious effect on prices.



Other ways we are proactively protecting our patrons when it comes to supply is limiting non-patron consumers from purchasing large amounts of product. There have been several situations where an outside entity is looking to snatch up products in large quantities, and we have put limits on them. This allows us to protect the needs of our patrons, and in turn allows us to serve you. Keeping supply up and prices down have been the main focus for us at CBH this past year.

We always try to have a spring program focusing on the needs of that particular planting season. Last year, we offered an early plant food application program and financed this for 0% interest until August. This program was popular and helped us get into the field early and get a jump on the season so we could be prompt when it came to in-season application. It was a financial benefit for those that could go early, such as putting plant food on. It turned out to be one of our best in history.

This year, we have altered the program to fit the season - **that being annual hay crop focus.** The program is set up so that patrons with approved credit will be eligible to finance fertilizer and annual hay crop seed through August 31st. This matches the input cost of seed, fertilizer, and application with the expected harvest income from the hay crop. We are extremely fortunate that the co-op is strong and able to help patrons with the most urgent crop product needs using program offerings like these. Keep in mind that these programs do have a monetary cap and we fully expect to reach the cap with early commitments. As always, we thank you for your patronage.



The Belle Fourche Travel Plaza will receive much needed renovations thanks to the Cenex® LIFT Initiative.

HAPPY TO BE HERE



By Garrett Young, Director of Retail

I'd like to give a warm greeting to all our CBH CO-OP patrons and introduce myself. My name is Garrett Young, and I am very excited to have the opportunity to share my ideas regarding how we can continue

to improve our retail locations and enhance our customers' experience.

New to Belle Fourche, I moved with my family from the Aberdeen area. I have a beautiful wife, Cassidy, and 2 kids; a 3-year-old son named Hudson, and a 4-month-old daughter named Nora. In my previous position, I oversaw a 24-hour station as the manager, which allowed me to learn the ins and outs of a retail location, learn what customers expect when they stop by, and what the overall experience should be like. I began my career here at CBH in November of 2021 and have had nothing but a great experience learning what our patrons not only need but deserve.

For example, I've come to understand the importance of ensuring that each of our retail locations receive the necessary upgrades they need to keep things running as efficiently as possible. This year, we have decided to utilize the benefits of the Cenex® LIFT Initiative, this time at our Belle Fourche location. This will include work done to both the inside and

outside of the store. Interior renovations will include a full repaint, updated bathrooms, and brand-new cabinetry will be installed. Our cashier islands are being completely redone for a better view of the pumps. Additionally, two brand new self-check-out stations will allow customers to spend less time waiting in line and more time on the road to their destinations. However, due to supply chain issues, we will unfortunately not be receiving the new cabinetry, cashier islands, or self-checkout materials. That being said, CBH can have 90% of the planned projects completed and will be adding those few projects we are unable to finish into next fiscal year.

You may remember our Sturgis location, which received renovations through the use of the LIFT Initiative last year. With Belle Fourche Travel Center receiving upgrades this year, our goal is to target one of our retail locations each year until all our c-stores receive the upgrades they need.

Again, I am thrilled to be here at CBH and look forward to getting to know more about our patrons, our business, and how we can continue to improve. I hope to see you at one of our locations and don't be afraid to introduce yourself to me, as I am very eager to meet you all!



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CENEX® BRAND FUELS AND LUBRICANTS PATRON MEETINGS
GILLETTE, WY:
Tuesday, March 29 - 4:00pm
Best Western Tower West Lodge
Conference Room
109 N Hwy 14/16
RAPID CITY, SD:
Wednesday, March 30 - 4:00pm
Best Western Ramkota
Conference Room
2111 N Lacrosse St
Please submit your RSVP at cbhcoop.com/rsvp, or call Amber at 307-682-4468 no later than March 22nd. We'll see you there!
For more information, please visit our website. cbhcoop.com

PREPARE FOR SPRING!

\$3 per barrel discount on spring barrels.
That's a \$24/ton savings on current prices!

Annual hay crop seed & plant food financing program is available now!
There's a monetary cap on the program, so get your commitment in!

Find Your Nearest Location:

Belle Fourche 77 N 6th Ave 605-723-3333	Gillette Elevator 207 E 1st St 307-682-4772	Union Center 16959 Hwy 34 605-985-5253
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Visit the News & Community section on our website to find more available offers! cbhcoop.com

