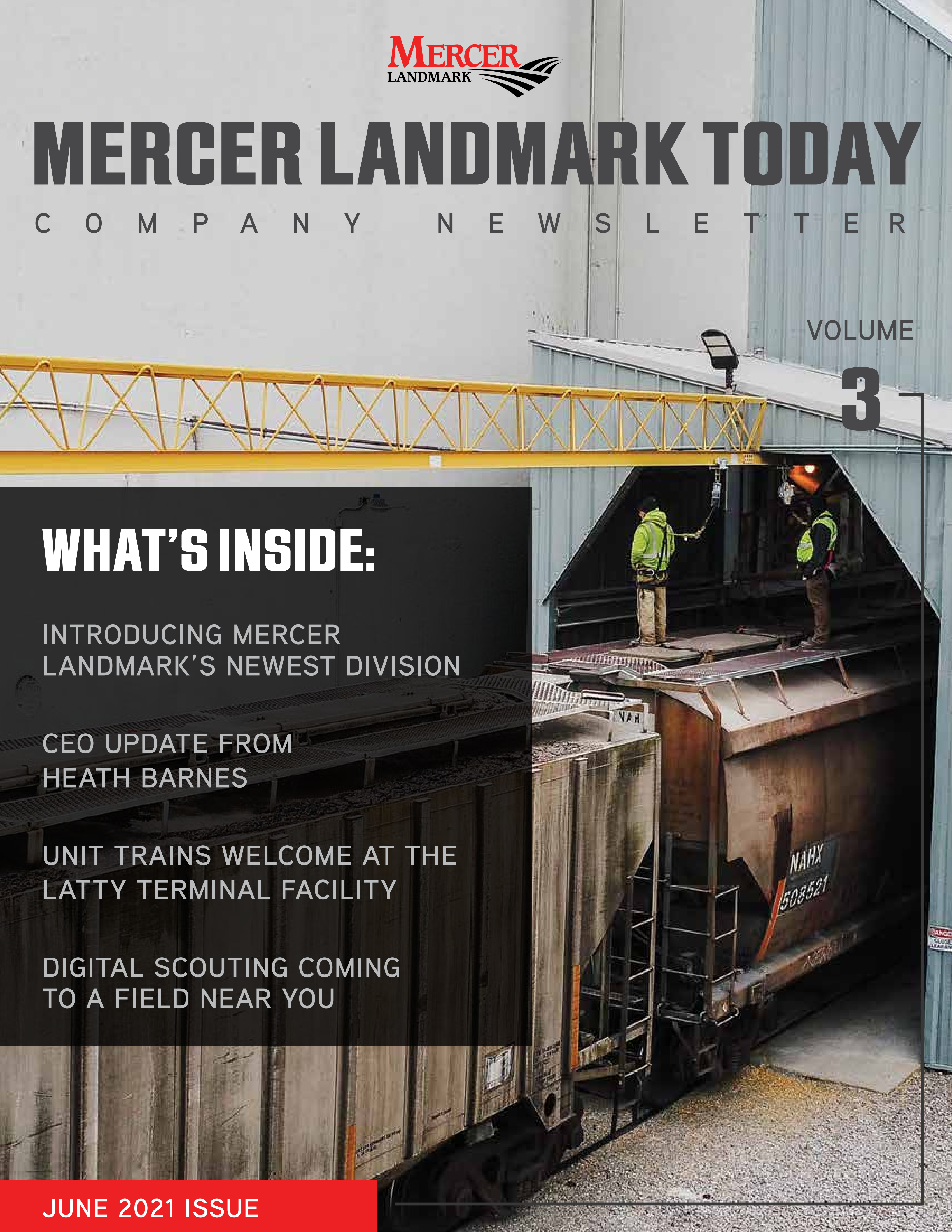


MERCER LANDMARK TODAY

COMPANY NEWSLETTER

VOLUME 3

WHAT'S INSIDE:

JUNE 2021 ISSUE

INTRODUCING MERCER LANDMARK'S NEWEST DIVISION

The new **Logistics Division** was officially launched in February. ***Cody Mabis, Logistics Division Manager*** answers some questions about this new division and why it was formed.

Q: What is the Logistics Division?

A: The Logistics Division consists of our 9 tractors and drivers that we keep on the road all the time. It also includes all our hopper trailers, 24 ton fertilizer tender trailers, and our tanker trailers.

Q: Why was the Logistics Division created?

A: Consolidating our general trucking operations under one management team allows us to better manage the use of our trucks across all our businesses. For example, one of our drivers may pick up and deliver fertilizer to a customer in the morning and switch to hauling grain from one of our facilities in the afternoon. This enables us to optimize our driver's time and get the most out of our trucking and hauling assets.

Q: How does this help the farmer?

A: By coordinating with all the other business managers on a daily basis, we can reduce costly "dead head" hauls and greatly improve the timeliness and level of service we provide our customers.

Q: What kind of logistics services does Mercer Landmark offer their customers?

A: We offer grain hauling, both out of the field at harvest and out of farm storage during the off season. We also partner with the Agronomy Division to deliver on farm dry and liquid fertilizer products.

Q: How is Mercer Landmark's Logistics team better than others?

A: What sets us apart is our team of professional and knowledgeable drivers. All of our drivers have a great deal of driving and industry experience and most of them have personal on farm experience themselves.

Q: Do you use any technology to help dispatch and manage the equipment?

A: Yes. We recently outfitted all our trucks with GPS tracking systems. This allows us to see where all our trucks are at in real-time and be able to evaluate throughout the day to make dispatching changes to be the most efficient they can be. We are also in the process of putting tablets in all the trucks to further streamline our communication and information sharing processes.

The formation of the Logistics Division is one more step Mercer Landmark has taken to streamline operations and enhance customer service.

Please contact your local Mercer Landmark advisor or Cody Mabis at **cody@mercerlandmark.com** for more information or questions.

CEO UPDATE FROM HEATH BARNES

"Our ability to return positive results even in the most challenging of times is a testament to the strength and diversity of your cooperative."

I remember as a kid how slowly the days seemed to grind by, but my grandparents would bemoan how fast the years disappeared. I now understand their perspective. This last year has come and gone in the blink of an eye. As the global pandemic turned our world upside down, we were faced with new challenges. In the midst of these difficult circumstances, our talented and dedicated team at Mercer Landmark rose to the occasion and delivered the same high-quality service and products our customers depend on year after year.

As you know, our overall financial performance impacts the amount of patronage we refund to our patrons, as well as our ability to reinvest back into our facilities and employees to ensure we meet our business goals. Although we remained profitable in 2020, we fell below our annual profitability trendline and did not fully meet our expectations.

The vast amount of prevent plant acres in 2019 had the largest impact on our 2020 fiscal year. The lack of planting in 2019 resulted in one of the lowest grain intakes on record during our 2020 fiscal year. Prevent plant also drastically reduced our agronomy sales in the spring of 2019; this greatly reduced the rebates we received from the manufacturers in fiscal year 2020 which go directly to our bottom line.

The unexpected shuttering of ethanol plant operations in our region during the first month of the pandemic sent grain basis levels plummeting, which negatively impacted our bottom line due to a large grain position we held in preparation for bringing the new MPS feed mill fully online in April 2020. The startup costs at the new mill and the costs of transitioning manufacturing operations among our existing mills also impacted our profits.

Each of our divisions were negatively impacted by these factors and others. Net profitability in our Feed and Grain divisions was each down by $1.2 million. Our Energy Division was lower by $600,000 and our Agronomy business was $400,000 less in fiscal year 2020. Despite this performance, we were still able to return over $2 million to the bottom line.

The challenges of 2020 and our response to the pandemic highlighted some areas we need to focus on as a company to stay relevant and to continue to meet the needs of our patrons.

- Modernization and automation of facilities to increase speed, space and labor efficiencies.
- Digital customer experience that allows our patrons to do business with us when and where it is convenient for them.

The MPS feed mill and the realignment of our existing mills is a great example of our focus on improving labor utilization and creating new growth opportunities. Prior to opening the MPS mill, we were reaching capacity with no ability to take on additional production. We now have room to bring on new business in all our species lines. The purchase and refurbishment of the Latty grain facility in our northern region (page 6) has added additional speed and space and opened an entirely new set of markets. In February's newsletter, we highlighted the improvements at our Elgin agronomy operations and a major upgrade is underway on the new Latty agronomy hub. This new facility will include increased storage, an automated liquid loadout system and a 24/7 liquid fertilizer bay that our customers will be able to access at their convenience. Crews are also constructing a new 1.5 million gallon UAN tank along with a new shop and office building. These investments elevate the level of service and competitive advantage we offer our patrons in the marketplace.

Our focus on digital transformation allows us to provide our patrons a level of service that does not currently exist in the marketplace in Northwest Ohio. These tools will allow our grain, feed, agronomy, and energy teams to engage and provide information on your farm in whatever fashion best suits your operation. This technology will enhance our Advisors' ability to focus on your bottom line and help you increase your profits. Look for more information on these tools later this Summer and into the Fall.

I want to thank each of you for supporting your cooperative and allowing us the opportunity to serve you. I also want to give the team at Mercer Landmark a big hand…their knowledge, hard work and dedication to agriculture is tremendous. We have a very talented and passionate crew that is focused on your success. Please make sure to let them know they are appreciated. Our organization's investment in the future of agriculture is not possible without your business and support. You have many choices when it comes to choosing your supply partner, and we hope we can continue to earn your business in the future. If you have any questions, please feel free to give me a call. **-Heath Barnes | P: 208-301-1039**

ENERGY

SAVE ON ENERGY COSTS WITH OUR SUMMER PROPANE PROGRAMS

Mercer Landmark's Energy Division offers multiple programs to help you save on energy costs throughout the Summer and next Winter.

Summer Fill Discount – save 10¢ per gallon off the posted price on the day of delivery when filling your tank a minimum of 200 gallons in June, July, or August.

Pre-Buy and Pay in Advance - If you don't have the capacity or need now, you can still take advantage of these savings by pre-buying and paying for propane before August 31, 2021 for delivery between September 1, 2021 – April 30, 2022. This allows you to lock in your heating costs for next Winter. We also have special contracts available for High Volume (greater than 5,000 gal) needs.

Many of our customers have taken advantage of our **Fixed Price Budget Program**. Sign up this Summer before August 31st and we will divide your heating costs into 10 manageable payments due on the 20th of each month starting in July. This program locks in your heating costs and spreads the payments out to help you manage your budget better.

If you are tired of having to check the level of propane in your tank and calling in when you need it, you should consider one of our easy Courtesy Fill options. In recent years, we have upgraded the technology we use to better serve our customers.

One of our solutions predicts the level in your tank based on your historical usage and weather. It lets us know when your tank is getting low so we can send our driver out to fill it up before you run out. It also helps us keep our prices competitive by allowing us to avoid sending drivers out for partial fill that are more costly for us.

We also offer remote tank monitors for some of our customers. We install and maintain these monitors on your tank at no cost to you. The monitor sends in a tank level reading every night, which helps us know when to dispatch our driver to deliver a complete fill. Call our office or contact your Mercer Landmark Energy Advisor to see if you qualify.

Be Safe and Happy Grilling this Summer…

- Never store or place a propane tank indoors in an enclosed area such as a basement, garage or shed.
- Never store or place a propane tank in an area of excessive heat (120 degrees or higher). Heat increases the pressure inside the tank, which could cause the pressure relief value to release propane.
- Never store a spare tank under or near your grill when in use.
- Never keep a filled tank inside a hot vehicle or transport inside a closed trunk.
- Close the tank valve when transporting, even if you think it is empty.
- Always transport and store your tank in a secure and upright position so it will not fall, shift or roll.

FEED

FEEDING A GROWING BUSINESS

TIP OF THE MONTH

WHAT CAN YOU DO ABOUT SUMMER HEAT STRESS?

Your Dairy Cows or Feedlot Steers can start to experience **heat stress** at **72˚ F** with **50% humidity.**

Make sure you are providing fresh, clean water and shade. The use of fans and/or a mister will also help keep them cool.

We recommend **Bovine Bluelite Pellets** for your Dairy Cows and Heifers to lessen the negative impacts on metabolic and digestive functions during heat stress.

Use **Supermix Beef Abate** (0.25# fed rate) for your Feedlot Cattle.

Contact our St. Henry mill or your local Mercer Landmark Feed Advisor for more information.

www.mercerlandmark.com

Thank you for your continued trust in us for expert advice, products, and services to support the health and welfare of your animals. Mercer Landmark's Feed customers continue to grow their livestock operations and our professional Feed sales team is keeping up with the growth of our customers.

As your businesses expand, so do we. Our facilities and operations underwent some changes last year to support this growth and to meet your needs in the future. Last year (February) our feed mill in Celina reached maximum production capacity and literally could not take on any additional business. Fortunately, the new MPS facility in St. Henry began operations around this same time.

MPS was designed and built to be an extremely efficient and high-speed feed manufacturing system. MPS is dedicated to manufacturing all of our poultry feed products – some of which used to be handled in Celina. The new speed and capacity at MPS allows us the ability to grow our business another 250,000 tons per year.

We also completed some updates and improvements to the Celina mill so we could take on all of the swine and dairy feed production traditionally manufactured at the St. Henry mill. This greatly improved our operational efficiencies and allows us to expand this business as our customers grow.

Our mill in St. Henry also received some updates and improvements so it could take on all our bull calf and cattle feed mixing. The St. Henry mill has more ingredient and load-out storage, which supports a more efficient mixing system.

Mercer Landmark's Feed business is committed to growing and improving to meet and exceed your needs today and into the future. Thanks again for your trust and support!

\- **Mike Dammeyer**, Feed Division Manager

AS YOUR BUSINESSES EXPAND, SO DO WE.

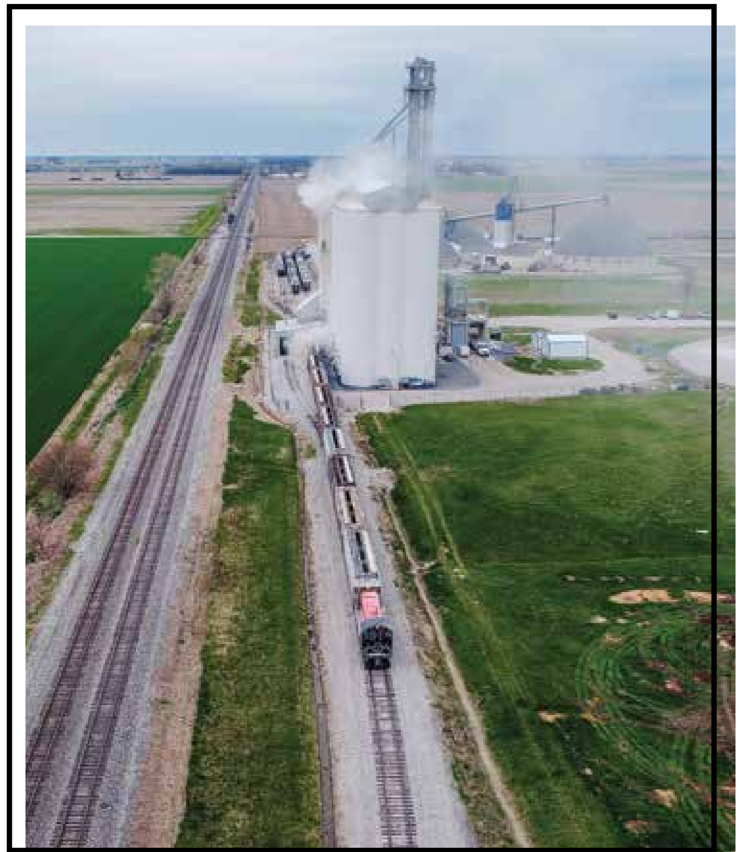
TYLER MATTHEWS, LATTY FACILITY GRAIN SUPERINTENDENT

UNIT TRAINS WELCOME

April 20th, 2021 will be a date to remember for the new Mercer Landmark Latty Terminal facility. It's not because the facility received 4" of snow that day in April, but because it has been over 22 years since a unit train has been loaded out of that elevator.

Mercer Landmark purchased the Latty Terminal from Deseret Grain in 2020 and immediately began investing in upgrades and improvements to get this facility up and running with the capability to load full unit trains. The first unit train of 86 rail cars was loaded with soybeans that went to an export facility in Chesapeake, VA. Who could have imagined a year ago that there would be Ohio/Indiana soybeans loaded out of this Mercer Landmark facility and on to an ocean vessel that was heading to Europe?

The Latty Terminal facility creates new opportunities and opens new markets for our grower patrons. Our participation in Cargill's NGMO soybean program is one example. We started taking deliveries of NGMO soybeans in January 2021 and loaded the 2nd unit train towards the end of April. This same program is available for the 2021/22 season and there are still some bushels available for the upcoming 2021/22 season. Contact your Mercer Landmark Grain Marketing Advisor for more information.



The speed and capacity to load 85 – 90 rail cars within a 15–24 hour window offers access to new markets previously unavailable for our growers. European markets out of Chesapeake, VA and southern hemisphere markets via the Gulf of Mexico out of Mobile, AL are available to our growers. The Norfolk Southern (NS) rail line, which services the facility, also travels East and gives us the opportunity to supply corn into the New York Ethanol industry. We can send beans and corn to the hog markets of North & South Carolina and into Gainesville, GA which is commonly known as the "Poultry Capital of the World."

The Latty Terminal Grain Elevator helps Mercer Landmark and their growers continue to meet the global demands of food supply and deliver on our mission of "Feeding the World."

GRAIN

USDA PROSPECTIVE PLANTINGS REPORT SHOCKS THE MARKETS

The March 31st USDA Prospective Plantings Report came as complete and utter shock to the grain markets. The average trade estimates were 93.2 million acres for corn, 90 million acres for soybeans, and 45 million acres for wheat. By comparison, the February Ag Outlook Forum had pegged the U.S. farmer to plant 92 million acres of corn, 90 million acres of soybeans, and 45 million acres of wheat. But what transpired from the farmer surveys showed corn planting intentions at 91.1 million acres, and this led corn to a locked limit of 25 cents higher in short order. Soybean acreage below the 90 million level is a volatile item and the USDA delivered to a tune of 87.6 million acres and like the corn market, soybeans jumped to the limit of 70 cents higher.

	PLANTED 2021	PLANTED 2020
CORN	AVERAGE ACRES ESTIMATED: 93,208,000	
US	91,144,000	90,819,000
OHIO	3,400,000	3,550,000
INDIANA	5,200,000	5,400,000
SOYBEANS	AVERAGE ACRES ESTIMATED: 89,996,000	
US	87,600,000	83,084,000
OHIO	5,000,000	4,900,000
INDIANA	5,700,000	5,800,000
WHEAT	AVERAGE ACRES ESTIMATED: 44,971,000	
US	46,358,000	44,349,000
OHIO	570,000	530,000
INDIANA	300,000	380,000

The wheat acreage survey showed 1.36 million more acres than the average trade guess posted before the report.

The Ohio acreage intentions indicate that there will be 150,000 less acres of corn and 100,000 more acres of soybeans planted this spring than last year. Indiana is showing 200,000 less acres of corn and 100,000 less acres of soybeans being planted this year from last year. I am not going to predict if the acreage numbers will increase or decrease by the time the Planted Acreage Report is released on June 30th, but I will say in confidence that every acre that is able to be planted will be planted.

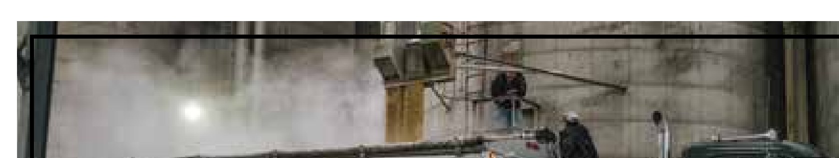
I will continue to say this - The only thing I am very confident in going forward is that it is going to be a very wild year. Old crop futures will be higher than new crop futures, and the market will give us opportunities in your grain marketing plans.

– **Kirk Roetgerman**, Grain Division Manager

MARKETING PLANS FOR '21/22 CROP

In the last segment, we discussed a strategy called a Cash Plus contract that can be incorporated into your grain marketing plan. The way to look at a Cash Plus contract is you are putting in a Target order to sell X amount of bushels at a predetermined Futures Price (that you get to choose) for a specific date. The best part is, for this obligation, the market will pay you a premium that you can attach to an existing contract to enhance the contract price.
Let us look at a strategy that incorporates Crop Insurance values with Target Price Orders. On February 28th, the USDA-Risk Management Agency (RMA) set the Spring Projected Prices for Corn and Soybeans for each individual state. Ohio's February price discovery for corn was set at $4.58 per bushel and $11.87 per bushel on soybeans. Most of the producers will select a 75% to 85% revenue protection (RP %) level for their intended planted acres. In layman's terms, this means that the producer has a form of price protection (spring crop insurance level) on a percentage (RP %) of their Average Production History (APH) yield.

Let us assume the producer's farm APH is 165 bushels per acre (bpa), and they selected an 85% RP level. From a grain marketing perspective, the producer has grain futures risk below $4.58 per bushel on 24.75 bpa (which is the 15% of the 165 APH). A simple strategy is to use target price orders on the bushels that are not protected by crop insurance. A target price order is a price that is set by the producer above the current market value, and if that value is realized during either the night or day trading session of the CBOT, then a contract will be written, or DP bushels are settled.



A Target Price Order strategy utilizing the crop insurance level and assuming today's Oct/Nov'21 cash price of $4.90 would be:

Put in targets to sell 5 bpa @ $5.00; sell 5 bpa @ $5.20; sell 5 bpa @ $5.40, sell 5 bpa @ $5.60; sell 5 bpa @ $5.80. If all these targets hit, then the producer would have 25 bpa sold at an average price of $5.40. This would be the 15% that is unprotected and at an average value that is $0.80/bu above the Crop Insurance Level. Now the producer has 85% of their potential APH bushels remaining to be priced at $5.80 or better, in this example. Grain marketing in a baseball analogy is about hitting for average and not swinging for the fence every time.

Please contact any of the Grain Marketing Advisors for more details and current values on this strategy.

TECHNOLOGY FOR A CAUSE

The Information Technology team at Mercer Landmark has been updating our internal technology tools to ensure that our staff is able to efficiently serve our patrons and operate our business. This process has involved replacing many of the computers in our offices with newer and more advanced equipment, which creates a surplus of older equipment that needs to be dealt with.

Many businesses send their surplus technology equipment off to auction or dispose of it. The IT Team at Mercer Landmark decided that we would handle it a little bit differently. We chose to offer our staff the option to buy our surplus technology, and then take 100% of the money raised and donate it to a local community organization.

The opportunity was well received, and we were able to sell every device we offered to our staff with many computers going directly to families to help with remote learning needs. We also conducted an internal poll of our staff to pick the local causes that we should invest in, and our staff picked two very worthy ones: West Ohio Food Bank and CALL Food Pantry. We raised close to $1,000 which was donated directly to these organizations. I am incredibly proud of our staff for this achievement. We hope to make this an ongoing event that further helps Mercer Landmark to invest in our local community and leave it a better place.

AGRONOMY

DIGITAL SCOUTING COMING TO A FIELD NEAR YOU

The Mercer Landmark Agronomy team is excited to announce the launch of their new digital agronomy platform provided by **Agrian by TELUS**, just in time to scout your fields this season.

Our professional Crop Production Advisors will be using a new mobile app to record and share their in-field observations and value-added recommendations with their grower customers this season.

The new app will allow our advisors to instantly share what they are seeing in your fields with easy-to-understand notes and pictures. You will be able to see exactly where they were when they made the observation and access this critical information at your convenience.

Other key features included in this service are:

- Satellite imagery to monitor crop health and quickly identify troublesome areas in the field.
- Improved communication of critical crop issues and quicker decisions to protect crop yield on your farm.
- Year-end and historical scouting reports can reveal limiting factors that have previously gone unnoticed and inform plans for upcoming season.

As the season progresses, our Crop Production Advisors will begin to utilize the many other features our digital program provides.

Stay tuned as we introduce more exciting capabilities that help us continue to provide best-in-class agronomic advisory services for you.

Contact your Mercer Landmark Crop Production Advisor for more information and to ensure your fields are benefiting from our new program.

NEWS

PAUL POTTKOTTER RETIRES AFTER 42 YEARS

Paul has been with Mercer Landmark for over 42 years as an Energy Salesman at our Coldwater Energy division. Throughout his years at Mercer Landmark, Paul enjoyed meeting great people while helping his customers grow and prosper. Paul's favorite memory was when he spent 5 days at the Shell Research & Development Facility in Houston, TX.

After retirement, Paul plans on finding a short path and taking a long walk, while traveling, fishing and dancing along the way. Paul's last day at Mercer Landmark was on Friday, May 14th. Happy Retirement, Paul!

TRAVIS WILKER JOINS MERCER LANDMARK'S ENERGY TEAM

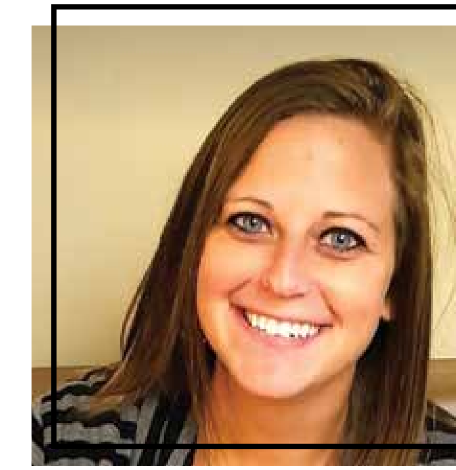
Mercer Landmark would like to welcome Travis Wilker to the Energy Division as a member of our sales team. Travis comes to Mercer Landmark with 15 years of sales experience and is happy to have the opportunity with the company. He is married to his wife Carolyn, and they have seven kids and live in North Star. In his free time, Travis enjoys spending time with his family and enjoys watching his kids play sports.

As a part of the sales team for the Energy Division, Travis will be addressing the needs of our customers by reviewing equipment lubrication analysis, cross referencing products and discussing product recommendations. Travis will also focus on growing and expanding our fuel and lubrication business.

NEW GRAIN MARKETING ADVISOR - AMANDA PORTER COMER

Amanda (Porter) Comer is the newest member of our Grain Marketing Advisory Team. She will be located at the Latty Grain Terminal. Amanda is a 2010 graduate of Paulding High School and attended the University of Findlay where she majored in both Animal Science and Equine Business Management, with a minor in Marketing. Amanda comes to Mercer Landmark from the Cooper Farms Paulding Feed Mill Office, where she worked closely with local farmers to purchase corn for the feed mill, maintained the FSMA (Food Safety Modernization Act) and SFSF (Safe Food Safe Feed) programs, conducted feed testing, managed ODA, FDA, and grain inspections, along with many other related duties.

Amanda is newly married to her husband Patrick, and she has a 5-year-old stepdaughter, Elli and also has 3 dogs, 1 horse, 1 donkey, and 1 very spoiled cat. Amanda is also an EMT with Grover Hill Fire/EMS department and enjoys being involved with her family farm.



FROM LEFT TO RIGHT: PAUL POTTKOTTER, TRAVIS WILKER, AMANDA COMER.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