Winter 2019/2020
General Manager’s

Kevin Hartkemeyer
CEO/General Manager

I’ll share a little bit from my annual meeting message.

Top Ag sales were $109.9 million, that’s down $3.4 million overall. Grain sales in dollars were down about $5 million and other products sales were up about $2 million. Let’s break these numbers apart.

Feed - the tonnage we sold was down 3.5%; that’s a modest decrease, but you need to remember this is after feed sales have been up nearly 80% since 2011.

Agronomy - Total fertilizer sales were down 7%, that’s a reflection of the reduced corn acres this year from both preventive planting and producers switching to beans as planting was delayed; of course beans don’t take the amount of fertilizer that corn does. Seed sales were up 15.7% that’s excellent results, especially in a year that saw fewer acres planted due to preventive planting. Chemical sales in dollars were up nearly 9%. Custom application income was down a couple of percent, about equal to what we saw in preventive planting. Remember Top Ag’s custom application income is still up 75% since 2011. Agronomy customers, and the acres served by the coop, continue to increase even though it faced a lot of challenges in 2019. We look at it as a pause in growth this year, which was caused by the weather.

Lumber - Sales dollars were up 4% in 2019. Don’t forget your lumberyard when you have construction projects, they will deliver across our whole trade area. We have a superior quality of lumber than what the big box stores carry, and we generally pay patronage. That’s a good deal all the way around.

Grain - Volume in bushels of sales by the coop was down 7.5%, in dollars of sales they were down 6.3%. It was being driven by a big percentage of the large crop we produced in 2018 that wasn’t sold until late in the summer and early fall of 2019.

Overall the price of grain we sold this year looked like this for the three commodity groups:
- Wheat price for the year was $5.44/bu up 45¢
- Corn price for the year averaged $4.03/bu up 27¢
- Soybeans were $8.77/bu down $1.05 for the year on the average.

Overall Top Ag’s sales were good. In a couple product groups we had flat to very small reductions, but in others we showed very strong growth. These are excellent numbers in a difficult sales environment. Margins were very good in most cases.

Our overall gross profit was $1.463 million, up $556,000, on $3.4 million less sales. Our local income was up $388,000, that’s a good result in a tough year!

What did we do with that money? We added over $2.3 million to your buildings and equipment this past year. We paid off $527,000 in long-term debt to CoBank. We redeemed $349,000 of the old allocated equity to you, our members, keeping us on track to reach our goal of being 10-12 years back in old equities in the next 3-4 years. We paid $520,000 in patronage and dividends; $220,000 of that it cash. We did all of this while still maintaining excellent working capital!

Continued on Page 5

Top Ag Co-op Management Team

Kevin Hartkemeyer-CEO/General Manager Katie Rennegarbe-Human Resources
Linus Wilke-Controller Lloyd Strubhart-Credit Manager Wayne Albers-Operations Manager
Scott Harre-Grain Department Manager Willis Herriss-Agronomy Manager Mallory Buescher-Trucking Manager
Shawn Meier-Feed Department Manager Dave Wilke-Lumberyard Manager Larisa Vandeloo-Environmental Health & Safety Manager
Lumberyard

The lumberyard has been busy and carpenters are trying to get concrete foundations in the ground so they can work through the winter if the weather permits.

There have not been any big price changes in the lumber plywood or OSB market, just a small increase in the market about a month ago.

Central States Metal should hopefully have their new plant in St. Peters, MO up and running in the first part of 2020. This will help with quicker delivery times as we are currently accepting deliveries to our area from their plant in Michigan City, IN. If you are looking for metal roofing and side wall metal, give us a call at 618.243.6137.

From all of us at the Top Ag Lumberyard, have happy and safe holidays!

Agronomy

Well harvest is over, and I hope everybody had a safe and great harvest. I will be retiring on December 31, 2019, to enjoy my grandchildren more and I would like to thank all of my customers over my 33+ years of employment at Okawville Farmers Elevator and Top Ag Cooperative.

I also want to thank all the employees I have been fortunate to work with over the years. Over the years the change in agriculture is rapidly evolving in electronics, computers and precision farming. In my career and my goal in my lifetime was to see 200 bushel corn, 80 bushel beans and 100 bushel wheat. I have seen that accomplished and now 300 bushel corn, 100 bushel beans, and 125 bushel wheat is going to be the norm in the future. So in closing I just want to say a big thank you to you all!

Lumberyard

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From all of us at the Top Ag Lumberyard, have happy and safe holidays!

Board Election Results

Kenneth Graul (New Baden), Steve Meentemeyer (Okawville), and Steve Plocher (Pocahontas) were re-elected to 3 year terms.

2020 Officers:
Brian Kunz—President
Jeff Rennegarbe—Vice President
Steve Meentemeyer—Secretary
Annual Meeting

Well another year is over and a new one has just begun. The financial information was given to our stockholders at our annual meeting which was held on November 19th at the Albers, Illinois Legion Hall and if you were unable to attend, here is a brief summary of the year we just had.

First of all, total sales amounted to approximately $110 million, which was down $3 million from last year’s total of $113 million. The major item contributing to this was a decrease in grain sales volume with corn sales bushels down over 1.3 million bushels, soybean sales bushels down over 78,000 bushels, and wheat sales volume up 140,000 bushels.

Even though our total sales were down, our overall net income went up over $218,000 (2019 net income $1,412,000; 2018 net income $1,194,000). The major contributing factor was the “local income” generated by Top Ag Cooperative, Inc. for the fiscal year ending August 31, 2019 were up over $387,000 from last year. Several operating expenses items were up significantly from the previous year. Overall, Top Ag’s operating expenses were up over $457,000 with salaries expense being up over $286,000, rent and leases expense up over $98,000, and property taxes being up over $78,000.

With the higher local earnings income from last year, the board of directors decided to pay out a patronage refund again this year (see below) and they also approved paying a 5% dividend on our Preferred Stock held by our stockholders.

Another thing I would like to discuss is the amount of Domestic Production Activities Deduction (DPAD) passed through to our members on the grain activity they had with Top Ag from September 1, 2018 through August 31, 2019. This would include both grain delivered to our elevators and direct to the terminals by our members. This is now called the DPAD Section 199A pass through. Tentatively, it looks like we will be passing through around $.1176¢/bushel, but we will be sending out letters in December 2019 with the “estimated” amount of what this DPAD is to members to help with their year-end tax preparation when they sit down with their tax advisor.

Remember, if you are not a common stockholder member of Top Ag and would like to become a common stockholding member and be eligible for dividends, patronage refund and DPAD, two criteria must be met. First, you need to be an agriculture producer and do at least $5,000 of business with Top Ag. Secondly, you must own at least one $25 par value Preferred Stock (maximum ownership of 60 shares or $1,500). Every business that has its own federal ID number (i.e. social security number or federal employee identification number (FEIN)) needs to purchase stock. If you are interested in purchasing Preferred Stock, please feel free to contact me at 618.243.3298.

That is all for now, so let me take this opportunity to wish everyone a Merry Christmas and Happy New Year!

Linus Wilke  
Controller  
Top Ag Cooperative, INC  
Okawville, IL

ALLOCATED PATRONAGE DIVIDENDS  
AUGUST 31, 2019

<table>
<thead>
<tr>
<th>Product</th>
<th>Member Business Quantity and/or $Amount</th>
<th>Rate</th>
<th>Patronage Refund</th>
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<tbody>
<tr>
<td>*Wheat</td>
<td>723,487 Bushels</td>
<td>$.02/Bushel</td>
<td>14,502</td>
</tr>
<tr>
<td>*Corn</td>
<td>7,026,639 Bushels</td>
<td>$.016/Bushel</td>
<td>111,838</td>
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<tr>
<td>*Soybeans</td>
<td>3,301,008 Bushels</td>
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<tr>
<td>Chemicals</td>
<td>$5,938,942</td>
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<tr>
<td>Feed</td>
<td>13,064 Tons</td>
<td>$5.00/Ton</td>
<td>65,320</td>
</tr>
<tr>
<td>Dry Fertilizer</td>
<td>12,720 Tons</td>
<td>$5.00/Ton</td>
<td>63,601</td>
</tr>
<tr>
<td>Liquid Fertilizer</td>
<td>1,800 Tons</td>
<td>$5.00/Ton</td>
<td>9,001</td>
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<tr>
<td>NH3</td>
<td>4,264 Tons</td>
<td>$5.00/Ton</td>
<td>21,230</td>
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<tr>
<td>Seed Corn</td>
<td>7,775 Bags</td>
<td>$1.25/Bag</td>
<td>9,719</td>
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<tr>
<td>Seed Soybeans</td>
<td>33,424 Bags</td>
<td>75¢/Bag</td>
<td>25,068</td>
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<tr>
<td>Seed Wheat</td>
<td>6,372 Bags</td>
<td>75¢/Bag</td>
<td>4,779</td>
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<tr>
<td>Lumber Products</td>
<td>$909,818</td>
<td>1.75%</td>
<td>15,922</td>
</tr>
</tbody>
</table>

*This is only grain delivered at company's elevators and not direct grain
The patronage split will be 40% cash and 60% stock
Are You Prepared to Stay Safe and Healthy This Winter?

Winter storms and cold temperatures can be dangerous. Stay safe and healthy and plan ahead by taking these steps!

For Your Home:

- Winterize your home.
- Install weather stripping, insulation, and storm windows.
- Insulate water lines that run along exterior walls.
- Clean out gutters and repair roof leaks.
- Check your heating systems.
- Have your heating system serviced professionally to make sure that it is clean, working properly, and ventilated to the outside.
- Inspect and clean fireplaces and chimneys.
- Install a smoke detector. Test batteries monthly and replace them twice a year.
- Have a safe alternate heating source and alternate fuels available.
- Prevent carbon monoxide (CO) emergencies.
  - Install a CO detector to alert you of the presence of the deadly, odorless, colorless gas. Check batteries when you change your clocks in the fall and spring.
  - Learn symptoms of CO poisoning: headache, dizziness, weakness, upset stomach, vomiting, chest pain, and confusion.

Don't Forget to Prepare Your Car!

- Service the radiator and maintain antifreeze level; check tire tread or, if necessary, replace tires with all-weather or snow tires.
- Keep gas tank full to avoid ice in the tank and fuel lines.
- Use a wintertime formula in your windshield washer and make sure its full.
- Check your tire pressure.
- Check your oil.

Layer-up!

- **Inner Layer:** Wear fabrics that will hold more body heat and don't absorb moisture. Wool, or silk will hold more body heat than cotton.
- **Insulation Layer:** An insulation layer will help you retain heat by trapping air close to your body. Natural fibers, like wool, goose down, or a fleece work best.
- **Outer Layer:** The outermost layer helps protect you from wind, rain, and snow. It should be tightly woven, and preferably water and wind resistant, to reduce loss of body heat.
- **Stay dry**—wet clothing chills the body quickly.
- **Excess sweating** will cause your body to lose more heat, so remove extra layers of clothing whenever you feel too warm.
- **Avoid getting gasoline or alcohol on your skin** while de-icing and fueling your car or using a snow blower. Getting these materials on your skin will cause your body to lose a lot more heat.
- **Do not** ignore shivering—it's an important first sign that your body is losing heat. Constant shivering is a sign that it is time to go inside.

When Traveling:

- Be aware of current and forecast weather conditions.
- Avoid traveling when the weather service has issued advisories.
- If you must travel, inform a friend or relative of your proposed route and expected time of arrival.
- Prepare a winter emergency kit to keep in your car in case you become stranded. The kit should include, but is not limited to:
  - Cell phone and portable charger and/or battery pack
  - Blankets
  - Non-perishable food and water
  - Jumper cables, flares, and tire pump
  - Flashlight, battery-powered radio, and extra batteries
  - First-aid kit
  - Road salt
  - Shovel
  - Scraper

Above all, be ready to check on family and neighbors who are especially at risk from cold weather hazards: young children, older adults, and the chronically ill. If you have pets, bring them inside. If you cannot bring them inside, provide adequate, warm shelter and unfrozen water to drink. For more info on frostbite & hypothermia, visit [https://www.cdc.gov/cpr/documents/hypothermia-frostbite_508.pdf](https://www.cdc.gov/cpr/documents/hypothermia-frostbite_508.pdf)

Source: National Center for Environmental Health
Continued from Front (Kevin Hartkemeyer)

That’s nearly $600,000 in cash to our members this year while strengthening the business’s asset base and reducing debt. We’re always going to try to do better, but I think we should all be happy and satisfied with these results!

We value our employees and thank them for hanging in there during this difficult year! We certainly value our owners and customers! We know it’s a privilege to serve you each year! We sincerely thank you for your business, we know you have many choices we’re very grateful you chose us! We look forward to a successful 2020 at Top Ag, and also at your farm or business!

We wish you a Blessed Christmas and New Year!

Top Ag Cooperative Distributes $12,000 to Area Food Pantries

Top Ag Cooperative EHS Manager, Larisa Vandeloo, and HR Manager, Katie Rennegarbe, had the pleasure of distributing $12,000 to area foodbanks. The Highland Area Christian Service Ministry in Highland, the Green Bean Food Pantry in Trenton and the Washington County Food Pantry in Irvington were the chosen recipients of $4,000 each.

Top Ag, along with its business partners CoBank, Growmark and Land O’Lakes who each provided matching grants of $1,000 to each of the 3 organizations. Top Ag and its 795 local area farmer owners are in the business of feeding the world each day and this is a further extension of that effort. We are honored to help these organizations with serving those in need.

Top Ag Holiday Hours

*CLOSED*

* Wednesday, December 25th (Christmas Day)
* Wednesday, January 1st (New Year’s Day)
* Monday, February 17th (President’s Day)

*See Page 7 for Additional Holiday Hours*
King Oak Street will be closed in Trenton and it may be January before it is reopened. There will be detour signs put up, but highlighted below is the route that is to be used. We apologize for the inconvenience!
Do you have an android or iPhone? Download a QR scanner for FREE* in your app store and scan our QR Codes below! Some great free scanners are Scan and Scanlife.

"Standard Data Usage Rates May Apply"*  

We're On The Web!  
Like Us On Facebook!

Top Ag Events

- Christmas Eve (Tuesday, December 24th)  
  -8:00a—12:00p
- CLOSED in Observance of Christmas Day  
  -Wednesday, December 25th
- New Years Eve (Tuesday, December 31st)  
  -8:00a—12:00p
- CLOSED in Observance of New Years Day  
  -Wednesday, January 1st
- CLOSED in Observance of Presidents Day  
  -Monday, February 17th

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Local Events

December

- Christmas Lights Wonderland—Greenville  
  -November 29th—December 31st  
  -American Farm Heritage Museum
- Festival of Trees—Okawville  
  -Saturday, December 7th; 9a—5p  
  -Sunday, December 8th; 11a—4p
- Breakfast with Santa—Okawville  
  -Saturday, December 7th; 9a  
  -Original Springs Hotel
- Christmas Stroll & House Tours—Okawville  
  -Saturday, December 7th (9a—5p)  
  -Sunday, December 8th (11a—4p)  
  -Adults: $10; Children (6-12): $5

January

- Annual Soup & Chili Supper—Greenville  
  -Friday, January 5th; 4p—8p  
  -Adults $8, 4-10 $4; Under 3 Free  
  -American Farm Heritage Museum

February

- All You Can Eat Soup & Chili Supper—Pocahontas  
  -Saturday, February 22nd; 4p—7p  
  -Prices TBA  
  -Benefits & Held at the Pocahontas Gordon Masonic Lodge #473

Don't see your event on here and wish it was? Contact Michelle at michelleh@topag.net to have your event or recipe added to the next newsletter!

For Events & Information, Go To:  
https://www.illinoisouth.org  
or  
www.americanfarmheritagemuseum.com

If you are viewing this electronically, you can click on the links above to go to that page!
Texas Cake

Ingredients:

**Cake**
- 2 C Flour
- 2 C Sugar
- 1/2 t Salt
- 2 Eggs
- 1/2 C Sour Cream
- 1 t Baking Soda
- 2 Sticks Margarine
- 1 C Water
- 4 T Cocoa

**Icing**
- 1 Stick Margarine
- 6 T Milk
- 4 T Cocoa
- 1 # Powdered Sugar
- 1 t Vanilla
- 1 C Pecans (Optional)

**Preparation:**
1. Combine first six ingredients on the cake ingredient list. Set aside.
2. In a pot, bring the last three ingredients to a boil. Immediately add the second mixture to the first that was set aside.
3. Mix well then pour into a greased cookie sheet.
4. Bake for 20 minutes. Ice straight out of the oven following the directions below.

**Icing Directions:**
1. Bring first three ingredients to a boil and add the last three ingredients to mixture as soon as the first mixture starts to boil.
2. Place icing on top of the cake immediately as it comes out of the coven.

Recipe Submitted By: Rhonda Greten