



ANNUAL REPORT



2018

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ON THE COVER:

2018 Retailer of the Year Simplot Grower Solutions
(see pages 19-20 for full story)

Chairman's Message

John Oster
2018 ARA Chairman
Morrall Companies



Perusing an advance copy of this year's Annual Report brought back very-recent memories of a whirlwind year as association Chairman. And that brief little trip down memory lane began in Washington with our President and his staff, proceeded through the Board of Directors and into the various committees, then wound up with the regular members with whom interactions occurred all through the year. All along the way, the caliber and quality and professionalism of the individuals that make up our Association continued to amaze, and I came back to the present with a profound sense of gratitude for being allowed the honor of being your Chairman, and for being able to associate with such quality people.

People make an organization, whether it be our businesses or this Association. And we are blessed with the best in both cases, top to bottom.

We completed our five-year update of our Strategic Plan this year and positioned our association for growth and focus as we adapt it to remain relevant in this ever-changing industry. We re-focused upon communication at all levels of the organization and affirmed our commitment to fight the good fight at both the state and federal levels.

The gavel was handed to Troy Johnson last November with utter and complete confidence in his ability to take our Association to the next level.

Thank you, again, for the honor of being your Chairman.

A handwritten signature in black ink, appearing to read "John Oster".

President's Message

W. Daren Coppock
ARA President & CEO



The year 2018 was certainly one of interesting times in the ag retail industry and in Washington, D.C. Consolidation at all levels, scientific and legal squabbles over dicamba, glyphosate and chlorpyrifos, fires and floods, and lost export opportunities due to tariff retaliation were just some of the industry issues facing our members this past year. In this report you'll see a number of policy issues ARA engaged on your behalf during 2018.

Washington, D.C., was an entertaining place to live and work in 2018. Deepening partisanship made any Congressional work very difficult, and an opportunity for the Republican Party with control of the White House and both chambers of Congress ended with an historic number of Republican House retirements and a swing to Democratic control of the House in the November 2018 elections. As the center of gravity for each party moves further from the other, ARA continues to try to work with both sides on important policy goals for our members.

These swings of the political pendulum underscore the need for constant support of your advocacy arm in ARA. A swing from hyper-regulation to de-regulation doesn't remove the need for the work

ARA does – it just changes the game from defense to offense. We're working to make the regulatory policy gains durable so they will be harder to undo when the pendulum swings the other way. At the same time we're pushing for resolution to the uncertainty and market malaise created by ongoing trade disputes. Many of the issues raised are long overdue and need to be addressed, but preferably in a way where the American farm sector doesn't bear the cost to resolve issues in other sectors.

Staying close to member needs is critical for our success, as you'll see in the accompanying summary of our new Strategic Plan. It also requires engagement of members in serving on the Board, committees, task forces, and offering services to members that they value. We have an engaged and focused Board supporting our talented staff team. Underlying everything is the sustained support of our members, and for this we gratefully thank you as we look to the year ahead.

A handwritten signature in black ink, appearing to read "Daren Coppock".

ARA Refocuses Strategy for 2019-2022

ARA's Board of Directors met in midsummer of 2018 to review ARA's progress against its strategic plan and to develop necessary changes for the next four years. As has been the case with the last two reviews, the Board made some refinements but confirmed the general direction of the association is appropriate: specifically, its emphasis on federal policy advocacy, networking and services. The Board and approved the plan in November 2018.

Five specific themes are highlighted as strategic priorities for ARA in the next four years.

Our Mission

Communications
The need to communicate across the board - with members, news media, regulators, legislators and the general public - rose to the top as the biggest expanded emphasis. Woven together by a new comprehensive communications plan, ARA will revamp and expand its communications and online presence. This area was deemed important enough that a realignment of staff is being done to provide more support.

Public Policy
ARA's advocacy efforts remain the most important reason retailers join and represent a very high direct return on investment for our members. To enhance our advocacy effort, you'll see us communicate more often and in more bite-sized pieces to members about policy issues, develop relationships in a Congress with a significant number of new members, coordinate more actively with state associations on issues that could become national precedents, and expand our efforts to support the campaigns of agriculture-friendly federal legislators through our Political Action Committee (ARAPAC).

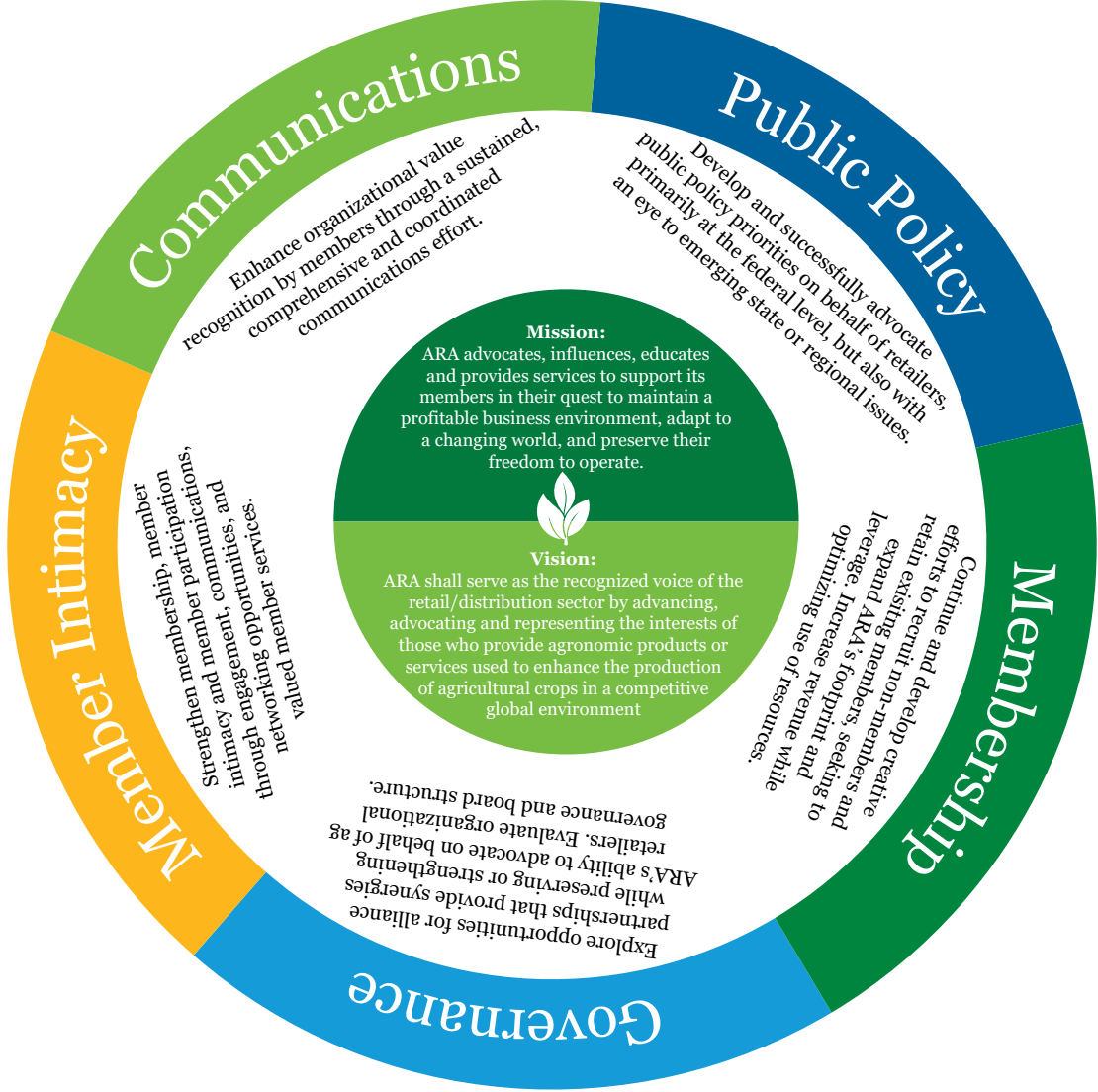
Membership
The lifeblood of any association is the continued support of its members. By design we are very reliant on dues to maintain operations, which keeps our priorities very closely aligned with those of our members. As consolidations shrink the pool of both members and non-members, ARA recruitment and retention efforts take on added importance.

Member Intimacy
The term "member intimacy" came up several times during the summer retreat, and refers to the ability of ARA leadership and staff to walk in the shoes of our members and understand their concerns firsthand. We are making a priority of including member visits when our staff members travel for other purposes, and we invite members to let us know if they'd like a visit. We're also trying to customize our offerings, recognizing that not all members have the same needs from their association.

Our Vision

Governance
We're also taking a good look at two governance and operational issues: making sure the association is appropriately structured so that retailers control the agenda now and into the future, and seeking synergies with other organizations that strengthen ARA's ability to represent retailers.

Strategic guidance is the most important responsibility of a Board of Directors, and the ARA Board has laid out a focused and ambitious mission for the next four years.



2018 Public Policy Review

CONGRESS PASSES 2018 FARM BILL, SIGNED INTO LAW BY PRESIDENT TRUMP

In December, Congress passed a Farm Bill that largely extended programs in their current form. Following the passage of House and Senate versions, a conference committee was formed which oversaw months of negotiations before releasing a final report and passing in both chambers. While ARA applauded the efforts of Congress to ensure crop insurance, commodity safety nets, conservation programs, and other provisions were kept intact, we believe there was a significant missed opportunity to make significant regulatory reforms. These regulatory reforms were included in ARA's 2018 policy priorities and were taken to Capitol Hill throughout the year and many of them were included in the House version of the bill but ultimately stripped from the legislation in conference. For that reason, they remain on the 2019 policy priority list. (Pictured page 8).

CHEMICAL FACILITY ANTI-TERRORISM STANDARDS (CFATS)

The Chemical Facility Anti-Terrorism Standards' legislative authority was set to expire in December of 2018. In February, CHS's director of Environmental Health and Safety Pete Mutschler testified before the House Subcommittee on Homeland Security making the case to reauthorize the program. In December of 2018, Congress granted an 18-month reauthorization.

WATER RESOURCES DEVELOPMENT ACT

On October 23, 2018, President Donald Trump signed into law "America's Water Infrastructure Act" (S. 3021), which reauthorized the nation's water infrastructure development programs. This bipartisan legislation (P.L. 115-270) supported by ARA provides needed investment in the nation's ports, locks, dams, channels, and other infrastructure that supports maritime and waterways transportation systems. It also builds on previous reforms of the Army Corps of Engineers (Corps) to further accelerate the process for moving projects forward more efficiently and at lower cost. Congress included a provision in this important legislation that requires the Corp to fully engage stakeholders in the development of implementation guidelines.

The U.S. inland waterways system provides the lowest-cost, most fuel-efficient and environmentally friendly way to transport products. Exports of agricultural goods are an important part of our economy, making up 20 percent of farm income and support more than 1 million jobs. Seventy-two percent of U.S. agricultural exports, valued at \$128 billion, are waterborne, and every \$1 billion in U.S. exports shipped through ports supports 15,000 U.S. jobs. Our nation's lock and dam systems are in urgent need of maintenance and modernization. Most locks and dams were built in the 1920s and 30s and have far exceeded their 50-year design lifespan. In the past decade, there has been a 700 percent increase in unscheduled stoppages for repairs.

The inland waterways system currently benefits from a successful public-private partnership with commercial users paying 50 percent of the cost of inland waterway construction and major rehabilitation projects through a 29-cent-per-gallon diesel fuel tax paid into the Inland Waterways Trust Fund combined with matching federal funds. Commercial users are the only private entities that pay into this trust fund while the benefits are enjoyed by numerous others.

For 2019, ARA is requesting Congress prioritize funding for the \$.87 billion backlog of 25 critical inland waterways projects as well as authorize the Harbor Maintenance Trust Fund's current \$9 billion surplus be used for dredging and other waterway maintenance.

OSHA REGIONAL EMPHASIS PROGRAM

In 2018, the Occupational Safety and Health Administration (OSHA) announced a Regional Emphasis Program (REP) in OSHA Regions VI and VII specifically looking at compliance to OSHA standards for anhydrous ammonia and ammonium nitrate. OSHA announced an outreach period from Oct. 1, 2018 to Dec. 31, 2018 before enforcement was to begin in January of 2019.

In response, ARA worked to provide retailers with tools to help with compliance with the relevant regulations. This effort produced a summary of OSHA's anhydrous ammonia standard and a compliance video made in conjunction with OSHA and ResponsibleAg.



EPA RISK MANAGEMENT PROGRAM (RMP)

In May 2018, EPA proposed to rescind third-party audits, IST requirements, incident investigations, information availability, and several other minor changes to the final RMP issued January 13, 2017. In August 2018, the same month the comment period closed, the U.S. Court of Appeals for the D.C. Circuit issued decision vacating EPA's June 2017 rulemaking to delay the effective date of Obama Administration's new RMP requirements. EPA did not appeal this ruling, which means the RMP changes issued in January 2017 are in effect until the Trump Administration's EPA proposed changes are finalized sometime in 2019. ARA submitted comments in support of the Trump Administration rescissions.

EPA PESTICIDE PRODUCT ACTIONS & LITIGATION

Glyphosate: California Prop 65; Pending lawsuits in federal and state courts, including California court awarding plaintiff \$79 million in damages based on 2015 IARC report finding probably carcinogen.

Dicamba: EPA extended conditional registration until Nov. 2020; approved for "over the top" use by certified applicators; additional restrictions put in place beyond 2018 growing season requirements.

Chlorpyrifos: Three Judge Federal Court panel ruled EPA must cancel all registrations following lawsuit filed by anti-pesticide

activists; Appeal pending with ARA part of Amicus Brief urging rehearing en banc (i.e. full 9th Circuit).

Neonicotinoids: EPA re-registration for products (clothianidin, thiamethoxam, and dinotefuran, imidacloprid) under review. Key products for seed treatment. Anti-chemical groups seek ban, similar to EU.

HOURS OF SERVICE (HOS) / ELECTRONIC LOGGING DEVICES

The Federal Motor Carrier Safety Administration (FMCSA) sought input on expanding the current 100 air-mile "short haul" exemption from 12 hours on-duty to 14 hours on-duty (consistent with long-haul truck drivers); extending the current 14-hour on-duty limitation by up to two hours when a truck driver encounters adverse conditions; revising the current mandatory 30-minute break for truck drivers after 8-hours of continuous driving; and reinstating the option for splitting up the required 10-hour off-duty rest break for drivers operating trucks equipped with a sleeper-berth compartment.

ARA also supported the proposed pilot project to expand Short Haul / HOS agricultural exemption radius up to 300 air miles; the proposed eliminating "planting and harvesting" criteria for HOS agricultural exemption; and the expanded Pilot Program for Young Commercial Drivers (18-20 years old).

ARAPAC Donors

Albert, Doug
 Albert, Harry
 Aldax, Mark
 Allen, John
 Anderson, Mark
 Asmus, Amy
 Barnard, Gregg
 Barnes, Kirk
 Beasley, Chris
 Bell, Daron
 Blank, Darin
 Bowman, Nate
 Brandt, Rick
 Brusveen, Chad
 Buhman, Dion
 Bullock, Rob
 Carmony, Weston
 Carrabine, Mary
 Chappell, Ernie
 Chesnek, Brad
 Cooper, Harold
 Coppers, David L.
 Coppock, Daren
 Craft, Dave
 Daniel, Casey
 Davis, Tom
 Demaray, Ron
 Demerly, John
 DeQuattro, Peter
 DeYoung, Case
 Donahue, Charles
 Dreschner, Jeremy
 Dufault, Dave

Evans, Griffin
 Flick, Keith
 Frasch, Brock
 Gordon, Eric
 Gough, Phil
 Greenfield, Steve
 Gresham, Strick
 Griffin, Pete
 Gupton, Richard
 Hagedorn, JD
 Hampton, Joe
 Hartney, Mary
 Heins, Tim
 Helt, Mark
 Henderson, Rob
 Hession, Audra
 Hester, John
 Hlavinka, Toby
 Hodges, Joseph
 Hurley, Bill
 Hyry, Ken
 Jahn, Chris
 Johnson, Ross
 Johnson, Troy
 Kasper, John
 Kesler, Rick
 Kinsley, Cheryl
 Lawrence, Matthew
 Leach, Alfred Kay
 Leischner, Shawn
 Line, Gregory
 Liske, Kyle
 Lovell, Dave

Lueders, Jason
 Luke, Allan
 Majarian, Nishan
 Manning, Ken
 Maple, Kyle
 McArdle, Tim
 McCarty, Sean
 McCoy, Wes
 McGregor, Ian
 McKnight, David
 McMullin, Brooke
 McMurray, Scott
 Melnick, Rick
 Meyerholz, Steve
 Middione, Joseph
 Midlash, Ceci
 Mogged, Dan
 Morgan, Matt
 Nelson, Paul
 Newcomb, Jerry
 Nielsen, Steve
 Nightingale, Brett
 Okochi, Carrie
 Orwig, Lyle E.
 Oster, John
 Parker, David
 Pearson, Chris
 Pfeiffer, Dennis
 Phillips, Andrew
 Piercy, Scott
 Pirkle, J Billy
 Powell, Mark
 Restum, Ron

Rezac, Stephen
 Roncoroni, Ernie
 Rowland, Bill
 Schertz, Scott
 Scobie, Walter
 Self, Jim
 Smith, Michael
 Smith, Paul
 Stephens, Randy
 Strack, William
 Stutsman, Mark
 Taylor, Donald
 Taylor, Drew
 Taylor, Greg
 Thomas, Dave
 Tunnell, Tom
 Ummach, Ed
 Vanderverter, Scott
 Vogen, Gary
 Waddell, Brian
 Watkins, John
 Webster, David
 Wells, Rod
 Whitaker, Marion
 Witcher, James
 Yargus, Larry
 York, Glenn
 Young, Lupe
 Young, Roy
 Zimmer, Kent



ARA Recognizes Legislators for Ag Retail Industry Support

ARA recognized Senators Chuck Grassley, R-Iowa, and Roger Wicker, R-Miss., with its 2018 Legislator of the Year award.

“We are pleased to honor two very deserving Senators this year with our Legislator of the Year award,” said ARA President and CEO Daren Coppock. “We are grateful for their dedication and continued support of the agriculture industry.”

In the presentation of the award, Sen. Grassley was recognized for his leadership as chairman of the Senate Judiciary Committee, securing a historic number of federal judicial confirmations during the 115th Congress, including two Supreme Court justices. A longtime supporter of agriculture and agriculture retail, this is the second time Sen. Grassley has been honored as ARA Legislator of the Year.

“Iowa is an agricultural powerhouse. As a leading producer of pork, corn, soybeans and eggs, agriculture anchors Iowa’s economy and helps put food on tables across America,” Sen. Grassley said. “Supporting workers and businesses that help Iowa’s farmers succeed has been a top priority during my time in the Senate. It’s an honor to receive this recognition.”

Senator Wicker was honored for his support on important industry issues, such as promoting precision agriculture and rural broadband deployment.

“With nearly 37,000 farms covering more than 10 million acres and generating more than \$7 billion in economic activity, Mississippi is home to many hard-working men and women who provide critical support to our farmers and ranchers,” Sen. Wicker said. “I will continue to promote policies that help America’s agricultural producers thrive.”

ARA presents its Legislator of the Year award annually to a member, or members, of Congress who champion legislation important to the agricultural retail industry. The awards were presented during the ARA Board of Directors and Committee Meetings in Washington, D.C.

Thank you for your continued support!

2019 Public Policy Priorities

RURAL INFRASTRUCTURE / TRANSPORTATION NEEDS

- Transportation infrastructure (highways, bridges, locks and dams, rail, harbor and ports) and rural broadband deployment are most obvious needs for rural communities.
- Federal investment, public-private partnerships, easing regulations and revising outdated statutory requirements will ensure efficient use of funds and timely completion of projects.
- Current federal minimum age (21) to obtain a CDL has negative impact on driver recruitment. Businesses are not able to hire young adults making an initial career choice.
- Electronic Logging Device (ELD) mandate has highlighted underlying issues with the Hours of Service (HOS) regulations, imposed unnecessary costs and burden on the industry with minimal safety benefits.
- Current Gross Vehicle Weight (GVW) limit for Federal Interstate Highways of 80,000 lbs. on 5 axles is outdated given the significant progress made in vehicle safety and pavement technology.

ARA POSITION

- Support expanded funding opportunities for rural broadband and transportation infrastructure projects while lessening regulatory burdens.
- Support expanded pilot program for short haul drivers between the age of 18 to 20 transporting farm supplies and/or agricultural commodities to increase number of available commercial drivers.
- Support Hours of Service (HOS) / ELD reforms for drivers of all agricultural operations and short haul operations.
- Support an opt-in voluntary pilot program for states to allow 91,000 lbs., 6 axle, bridge formula compliant trucks on Federal Interstate Highways.

CFATS REAUTHORIZATION

- Agricultural retailers store and sell fertilizers subject to DHS's Chemical Facility Anti-Terrorism Standards (CFATS).
- CFATS legislation securing chemical facilities expires in April 2020.

ARA POSITION

- Support short-term reauthorization (up to six years) that recognizes industry-led security measures such as ResponsibleAg and provides clear and consistent federal definitions for ammonium nitrate and ammonium nitrate mixtures.
- Maintain notice-and-comment rulemaking requirements of the APA for any changes to Chemicals of Interest found in CFATS Appendix A.

TRADE

- Agricultural retailers and distributors play a vital role in the success of the nation's food security. Their farmer customers produce goods for global markets and seek free and fair trade with foreign countries.

ARA POSITION

- Support policies that promote free trade of agricultural products, equipment, and crop input materials (pesticides, fertilizers, seeds) that create opportunities for the benefit of American agribusiness and farmers.
- Support Passage of the U.S., Mexico, Canada (USMCA) trade agreement, which replaces the North American Free Trade Agreement (NAFTA).
- Support USDA Trade Mitigation payments while tariffs continue to hinder trade markets.

AG LABOR / IMMIGRATION REFORM

- The agricultural community is dependent on a sustainable workforce now more than ever.
- Every farm worker engaged in high-value labor intensive crop and livestock production sustains two to three off-farm jobs.
- The current H-2A ag guest worker visa program is broken and only available for part of the agricultural industry.

ARA POSITION

- Support the establishment of a comprehensive immigration reform policy that provides for a new, usable ag guest worker visa program with a reliable verification system, secures the borders, and provides current farm workers the opportunity to apply for legal status through the sponsorship of an eligible agricultural employer.

REGULATORY REFORM FOR AGRICULTURAL RETAILERS

- NPDES Pesticide General Permit (PGP): Pesticide applicators are subject to court created requirements to obtain a Clean Water Act NPDES permit for lawful applications near 'waters of the U.S.' for products already closely reviewed and regulated for use by EPA with stringent FIFRA label restrictions.
- OSHA PSM retail exemption: Since 1992, agricultural retailers selling anhydrous ammonia have been exempt from OSHA's Process Safety Management Standard under the "retail exemption," defined as "an establishment... at which more than half of the income is obtained from direct sales to end users," otherwise known as the "fifty-percent" rule.

ARA POSITION

- Support bipartisan legislation that protects users from NPDES permit's duplicative requirements and legal liability.
- Support codification of the PSM definition of "retail facilities" using the "fifty-percent" rule.



Member Services

DC HELP DESK

The DC Help Desk gained traction in 2018, logging 16 cases – an increase from nine in the previous year. Help Desk requests include questions about regulatory issues and labeling to assistance with meetings on Capitol Hill or with administration officials. ARA members may call the office and staff will direct you to the appropriate internal contact to solve your problem or answer your question, usually within 48 hours for frequently asked questions. This service is available to our members at no additional cost.

LEADERSHIP AT ITS BEST

The Leadership at Its Best Program, sponsored by Syngenta, is a professional development program designed for emerging industry branch, marketing and sales managers. The training segments are hosted in Washington, D.C., and focused on advocating the agricultural industry's perspective on policy issues to agency leaders and government officials.

The Leadership at its Best Class of 2018 included Anne Clingenpeel, vice president of retail operations, Southern States Cooperative; Dan Karr, agronomy, Aurora Cooperative; Connor Lankford, precision ag manager, Valley Agronomics LLC; Alex Mahoney, assistant manager, BRANDT; Tom Parreira, sales manager, North Valley Ag Services; Mike Perkins, agronomist, Asmus Farm Supply; Lance Vonderheide, loan portfolio manager, The Equity; and Mike Zacharias, field marketer, Mid-Kansas Cooperative (*Pictured page 14*).

CRISIS MANAGEMENT WORKSHOP

ARA held its second Crisis Management Workshop in April 2018. The three-day workshop is sponsored by FMC and designed to help agricultural retailers create or refine a customized emergency action plan that is relevant, implementable, and sustainable for the needs of their business and local emergency resources.

The hands-on workshop was attended by nine individuals who work in various roles at retailers, including in an environmental health and safety capacity. Led by Dr. Jaye L. Hamby, a leader

in agricultural education, the day and a half program featured industry best practices, interaction scenarios, and a template Emergency Action Plan.

The content of the workshop will revolve around three fundamental principles of crisis management: plan preparation (PREPARE), actions and activities required to manage a crisis (RESPOND), and requirements to keep a crisis plan sustainable (SUSTAIN).

REGIONAL AG RETAIL FORUM

Nearly 50 ag retailers, suppliers, and affiliate representatives gathered in Maumee, Ohio, at The Andersons headquarters for the 2018 Regional Agricultural Retailers Forum in early September. The Forum was focused on Indiana, Michigan, and Ohio regional issues, and included a national issue update from the ARA staff. While the event focused on water quality and nutrient management strategies, it further emphasized the importance of ag retailers and the trust placed in their staff not only by farmer customers, but also state and federal policymakers.

Ohio Agribusiness Association (OABA) President Chris Henney recounted recent interactions with the Ohio governor's office that brought together agriculture industry associations to provide feedback on a potentially devastating executive order regarding watersheds designated in distress.

"This example is a testament to the power of the agriculture industry," said Henney. "The power of the associations and grassroots network are what win the day for us."

Agribusiness Council of Indiana President Amy Cornell shared her state's efforts to work with farmers on adopting best practices for nutrient management via the Indiana Agriculture Nutrient Alliance. Much like the Ohio program, the focus is to keep management decisions in the hands of the farmer while providing the best, most current data. Based on research, 50 percent of farmers in Indiana don't know of or see specific water pollutant problems in their area; they may not even know what watershed their farm is in.



Cornell says their efforts are to change the "Not on my farm, not in my watershed," mindset with the utilization of the 4R principles through the Indiana Voluntary Certification Program for Ag Retailers.

Dr. Tim Boring, Michigan Agribusiness Association vice president, highlighted the work of his association on engaging the retailer and applicator community for educational opportunities to work with customers on smart practice adoption.

"What does doing it right actually look like?" he asked, underscoring the opportunity that exists for the ag retailer to further engage the farming community in sharing knowledge and best practices.

To round out the daylong event, Ohio Department of Agriculture Deputy Director John Schlichter and Assistant Director Tim S. Derickson provided lunchtime remarks. They emphasized the importance of collaboration with OABA and other agriculture organizations in the state to obtain guidance and input from farmers and agribusinesses to create policies in a transparent manner.

ASA PARTNERSHIP

Thanks to a new partnership forged this year with the American Society of Agronomy (ASA), Agricultural Retailers Association members are able to access ASA online educational resources at a discounted rate.

ARA retail members who purchase an ASA Silver Corporate Membership will have access to approximately 10 online CEUs that registered employees, or the member company, may select from the ASA online library.

SUSTAINABILITY PROGRAMMING FOR AGRICULTURAL RETAILERS AND CCAs (SPARC)

ARA launched the Sustainability Programming for Agricultural Retailers and CCAs (SPARC) initiative at the 2018 Conference & Expo Boca Raton, Florida.

A partnership between ARA, the American Society of Agronomy, Environmental Defense Fund, and Field to Market, the SPARC initiative is a series of introductory level online educational modules for ag retailer decision-makers and Certified Crop Advisors (CCAs) that are considering or just starting to offer sustainability agronomic guidance.

Cover crops are just one practice covered in the modules, an identified need supported by a study conducted by Datu Research, LLC. In its findings, Datu highlights the barriers in the industry preventing cover crops from being a prominent business segment. The study found that 89 percent of agricultural retailers have offered cover crop products and services in the past two years, and 94 percent say they want to expand these offerings in the future yet cover crop acreage remains low.

"Ag retailers have always worked to assist their farmer customers in conservation practice implementation," said ARA President and CEO Daren Coppock. "The adoption of cover crops will continue at a slower rate until farmers can see the true value in the practice. Our retailer members appreciate the survey results and any subsequent findings to work with their customers in making the best decisions for their operations and the environment."

SPARC is one opportunity for ag retailers and CCAs to continue their education and ability to offer these services to their customers. The resources can be accessed at www.aradc.org/sparc.

Conference Summary

In late November, the Agricultural Retailers Association (ARA) hosted its 2018 Conference and Expo in Boca Raton, Fla. Approximately 600 industry leaders came together for an action-packed agenda that included keynote speakers, breakout sessions, the honoring of industry leaders, and a busy exposition. The conference concluded with the installation of Troy Johnson of Wilbur-Ellis as the next chairman of the ARA Board of Directors.

"I could not be more proud of what ARA accomplishes each year on behalf of its membership," said Johnson. "Protecting ag retailers' freedom to operate is what ARA is all about. Each year it seems new challenges surface, and the board and staff will continue work together to tackle each of them for the good of the industry."

Johnson succeeds John Oster of Morral Companies in the position. Each chairman serves a one-year term.

"Serving as the organization's chairman has been an honor," said Oster. "I take pride in the ag retail industry. We do something that makes a difference for every person on this earth. We have to feed the growing population and working together I know we can do it."

Johnson shared with attendees his commitment to the association for the coming year, outlining goals that include continuing to strengthen and broaden the membership and keeping the association's mission front and center in all activities.

"I look forward to serving on behalf of all retailers - regardless of size, geography or ownership," said Johnson. "I am committed to ensuring that everything we do is representative of the entire agricultural retail industry."

The conference opened with Ambassador Darci Vetter presenting a workshop entitled, "Trade, Tariffs, and Their Impact on American Agriculture." A former chief agriculture negotiator at the U.S. Trade Representative and Under Secretary at USDA, Vetter provided a unique and experienced point of view.



Chuck Magro, chief executive officer of ARA member Nutrien, gave the opening keynote address and conversation with ARA President and CEO Daren Coppock. Magro shared insights on the ag economy and related industry trends.

John Spence, author of *Awesomely Simple*, presented his principles for business success in the general session and a detailed practical dive to turn Ideas into Action in a bonus workshop session.

Tejas Bhatt, senior director for food safety innovations for Walmart, addressed the closing session with his keynote entitled, "A New Era in Food Transparency Powered by Blockchain," where he shared Wal-Mart's vision for using blockchain to enhance food safety. U.S. Department of Agriculture Under Secretary for Farm and Foreign Agricultural Service Bill Northey closed the conference.

The ARA policy team led a breakout session that covered the results of the midterm elections, farm bill negotiations, and other action of note regarding legislation and regulation in the past year. Paul Schrimpf of Meister Media Worldwide led a breakout session on precision agriculture practices. Dr. Scott Downey of Purdue University led a breakout session on delivering Mega Value for Mega Growers. The final breakout session was a launch party for the Sustainability Programming for Agricultural Retailers and CCAs initiative (SPARC).

The 2019 ARA Conference and Expo will be held December 3-5, 2019, in New Orleans, La.

Awards



ARA Rising Stars

Twenty-five individuals were named to the ARA Rising Stars program. The program offers the organization's members the opportunity to nominate staff members to recognize, reward and develop high achievers and emerging leaders within their companies and the agricultural retail field. Each class of Rising Stars is recognized at the annual ARA Conference and Expo, where the individuals are able to meet and network with other Rising Stars and industry leaders (*Pictured above*).

"We are proud of each individual recognized as a part of the ARA Rising Stars program," said Coppock. "These leaders are the cream of the crop, and I have no doubt will be influential in the industry for many years to come."

The 2018 Rising Stars class includes:

- Andrew Baertlein, J.R. Simplot Company
- Angela Blanks, Agrian
- Ben Carlisle, GreenPoint Ag
- Martin Clevenger, J.R. Simplot Company
- Michael Cowan, J.R. Simplot Company
- Sarah Daily, FMC Corporation
- Brandi Fink, River Valley Cooperative
- Nathan Foster, Wilbur-Ellis
- David Gleason, J.R. Simplot Company
- Ryan Harbison, Tri-County Chemical
- Lucas Irwin, Carolina Eastern Vail
- Jake Juarez, Farmobile
- Andrew Kappes, Agtegra Cooperative
- Kendra Keitzer, River Valley Cooperative
- Paul Keppy, International Raw Materials LTD
- Anthony Lorentz, J.R. Simplot Company
- Marissa Mann, Compass Minerals - Plant Nutrition
- Brent Neys, Agtegra Cooperative
- Colby Olmstead, MFA Incorporated
- Luke Schnitker, Premier Companies
- Nick Schroth, Wilbur-Ellis
- Lisa Stiles, FMC Corporation
- Jackson Tisher, Agtegra Cooperative
- Bill Truesdell, J.R. Simplot Company
- Katherine Vail, Carolina Eastern Vail

Precision Impact Award

ARA member Valley Agronomics LLC was presented with the Precision Impact Award. The award is presented by Proagrica, AgPro and ARA.

Environmental Respect Award

ARA Member Helena Agri-Enterprises was celebrated for its Dillsboro, Ind., location's honors as North American Ambassador of Respect. ARA Member Nutrien Ag Solutions also had locations named as regional winners in the Environmental Respect Award program.

Awards



ARA BESTOWS TOP HONOR UPON LARRY YARGUS

ARA honored Larry Yargus with its highest individual honor, the Jack Eberspacher Lifetime Achievement Award. In 1992, Yargus acquired Layco, the company his father Lloyd Allen Yargus founded, and led the company's transition to Yargus Manufacturing, Inc.

"ARA sincerely appreciates Larry's involvement and Yargus Manufacturing's longtime support of ARA," said ARA President and CEO Daren Coppock. "Beyond membership, Larry and his team have been active on several ARA committees, generous supporters of our programs, and engaged in countless other activities. I couldn't think of anyone more deserving than Larry to receive this award."

"Not only has Larry led his family business to major success, celebrating its 50th anniversary this year, but he has played a pivotal role in helping to guide ARA to be the strong organization it is today," said Coppock. "Larry has tirelessly supported retailers both professionally and personally through ARA. He has always understood and appreciated the critical role of retailers in the supply chain and providing superior service to the American farmer."

Established in 2001, the ARA Lifetime Achievement Award was renamed in 2010 after the late Jack Eberspacher, who served as ARA President and CEO from 2001 until his death in 2009. The award is designed to recognize career-spanning achievements in and contributions to the agricultural retail industry.



WILLARDS RECOGNIZED FOR SERVICE TO AGRICULTURAL RETAIL INDUSTRY

ARA honored William F. Willard, Sr. (Billy) and Bob Willard with the ARA Distinguished Service Award for their support for ARA and the agricultural retail industry.

"Willard Agri-Service is the gold standard for ag retailers," said ARA President and CEO Daren Coppock. "Billy and Bob are known for their engagement in the industry and their community. They have hosted countless educational programs and tours for federal agency officials, industry partners, and others at their facilities, which benefits all ag retailers. We are forever grateful for their dedication to the association and the greater good of the industry."

"The Willards operate a company in a politically challenging environment, which has necessitated extensive community involvement by Billy, Bob, and the entire company," said Coppock. "Through their engagement, they have engendered trust and respect from their neighbors, and set an example for their peers in the business."

Billy serves as CEO for Willard Agri-Service and is a son of company founder De Willard. He also operates the family farm with his son Billy Jr., which gives Billy the unique perspective of being both a farmer customer and a supplier.

Bob is a past chairman of ARA, and currently serves as chairman of the Willard Agri-Service Board of Directors and spends most of his time in the crop supply business. He is also a board member of the Chesapeake Bank and Trust and Centennial Ag Supply.

Selected by the ARA Executive Committee, the ARA Distinguished Service Award honors individual members of the association who have provided support above and beyond that of the traditional member and volunteer responsibilities.

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- Raven Industries

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EXHIBITORS

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GVM Inc.
Heartland Tank Companies
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JM Fertilizer
John Deere
Junge Control, Inc
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La Crosse Seed
Legacy Building Solutions
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Murray Equipment, Inc.
Nutrients for Life Foundation
NuVue Business Solutions
Precision Tank
Purdue University Center for Food and Agricultural Business

Ranco Fertilizer, Inc.
Raven Industries
Razor Tracking Inc.
Redox
ResponsibleAg
Sackett-Waconia
Secure Locating Technologies, Inc.
Skinner Tank Company (STC)
Software Solutions Integrated, LLC
Spensa Technologies
SST Software
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Stueve Construction
Syngenta
TeeJet Technologies
The Andersons Plant Nutrient Group
Unverferth Mfg. Co., Inc.
Valent U.S.A.
Waypoint Analytical
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Yargus Manufacturing

ARA Retailer of the Year

Global Perspective, Local Service

As a \$6 billion vertically integrated, privately held agribusiness, the J.R. Simplot Company's footprint stretches from the phosphate mine to the dinner plate. And in its supply chain, the last touchpoint of the raw materials from the company's eight phosphate facilities is its Simplot Grower Solutions (SGS) division. The ag retail group has 90 locations in 14 states and western Canada, and it is charged with executing on the company's mission of "Bringing Earth's Resources to Life."

Simplot Grower Solutions has been named the 2018 Retailer of the Year by the Agricultural Retailers Association, and the award is also sponsored by Bayer and AgPro.

The retail division was first started in Twin Falls, Idaho, in 1945 as "Simplot Soil Builders," but that name transitioned to Simplot Grower Solutions in 2002. Today, more than 1,700 SGS employees provide products and services for more than 300 crops, using multiple cropping systems, and across a variety of soil types. The business has six core platforms that have emerged from an "Influence the Acre" campaign started in 2009: crop nutrition; crop protection; seed; diversified products; ag technology; and the newest, financial services.

As only the seventh CEO in company history, Garrett Lofto is stewarding the entrepreneurial spirit that founded the company and building the business for growth. In regard to its ag retail business, he says the group is rooted in adding value to the farmer.

"Simplot Grower Solutions has a fantastic team of people that get it done every day. When we look at input agriculture and the retail space, what we're trying to do is serve the unmet needs of our customers so we remain relevant with them," Lofto says. "From our perspective, we have to bring the grower products and services that add value to their farms."

SGS boasts an impressive employee retention rate with an average tenure of eight years, and the average SGS crop adviser's is more than 12 years. Across the division, more than 200 employees have served more than 20 years.

"The two most important relationships in any retail business are the relationships with your vendors and with your customers," says Dave Dufault, vice president with Simplot. "We thrive with a hands-on, high level of service, and we back that sale up—from the crop adviser to the person answering the phone at the office to the person making product deliveries. We have a lot of relationships within that customer's experience, and that's important."

There's an ongoing effort to bring in new talent and foster their growth.

"We try to provide young crop advisers with mentorship from our more experienced crop advisers," says Rick Sottile, market manager, South San Joaquin Valley, SGS. "This includes ride-alongs to check fields and work with customers together. It helps to demonstrate how to talk face to face with the customer—how that's supposed to look and how it's supposed to sound as they share their knowledge with farmers."

SGS employs 120 CCAs/PCAs and has 22 employees dedicated as technology staff. The company has three technology products: SmartFarm, Field Stripes and Simplot Advisor. SmartFarm brings technology resources to create site-specific solutions through soil testing, satellite imagery and more. It's a precision ag platform for advisers working with farmers to identify management zones, use specific prescriptions and variable-rate apply crop inputs. Field Stripes are "no-risk product trials" where farmers put out field trials with side-by-side comparisons, and if the trial doesn't result in an economic benefit, the grower doesn't pay for it. Simplot Advisor is an app paired with SmartFarm to bring mobile capabilities for analysis and decision-making, including: scouting, soil sampling, lab results, product prescriptions, Worker Protection Standard documentation and more.

With its expansive footprint and employee head count, the company is committed to safety. All of its retail locations are registered with ResponsibleAg, and 61% are ResponsibleAg-certified.



"I'm proud of our folks doing the right thing each and every day," says Greg Lierman, a 25-year employee and area manager, Lower Snake River Basin, SGS. "We owe it to our employees, our customers and our communities to be safe, and being certified by ResponsibleAg is a platform which proves that—whether someone is looking or nobody is looking—we're doing the right thing."

Retail locations have weekly "Monday meetings" to address concerns and or seasonal topics. Launched in 2015, the "CARE" initiative led to a 30% decrease in recordable incidents in just two years.

Technology has provided tangible benefits in Simplot's retail business—earning greater efficiencies and improving the customer relationship. For example, by moving to centralized dispatching, the Northern Plains group increased efficiency and reduced costs by more than \$1 million.

Customers, such as Chris Payne in eastern Oregon, report technology has helped the experience with SGS be even more service-focused. "The amount of technology they have sets them apart, and their ability to use that technology is better than everybody else," Payne says. "When we need something—a spreader pass, an application, anything—everything is within 24 hours."

Payne works with Rod Steele, a crop adviser out of Ontario, Ore. "One of the tools I use a lot is the scouting app in Simplot Advisor," Steele says. "I can email reports directly to the grower, which doesn't replace a one-on-one conversation, but it creates a log and a way to keep records. When I call and follow up with the grower, we can both see the pressures now versus a week ago or even compared to last season."

As part of its mission, SGS aims to maximize yields and optimize inputs—with economics and the environment always top of mind. This encompasses crop fertility (and the company's commitment to 4R Nutrient Stewardship), crop protection and water. Crop consultant Gary Toschi explains this includes working with growers to adopt new tools such as drip irrigation, which is 95% efficient, and replaces flood irrigation, which is only 65% efficient.

One of Toschi's customers, David Mettler with Kirshman Farms Inc., in Lamont, Calif., explains he's integrated in the farm's day-to-day.

"I've been working with Gary for 18 years, and we do a lot of soil testing and remote sensing to manage crop inputs, and he's incredibly helpful to us with the cost-to-expense benefit ratio," Mettler says.

As part of its environmental stewardship, SGS markets more than 10 specific cover crop mixes to match the soil and the purpose.

"Sustainability is something we have to live every single day," explains Lofto, the CEO. "Our employees take sustainability very seriously because it's all about how we do more with less. It's critical to our customer hopefully putting more money in their pocket so that they can reinvest in their operations and grow their business."

In the past 12 years, the retail division has grown three times over. Dufault explains this is driven by the company's perspective on its daily business.

"It's not the number of tons we sell or the number of pounds or gallons of product," he says. "What we're really doing with each acre is we're feeding more people, and that's a different way of looking at things, but it's something that everyone can take pride in."

Dufault says the forward-looking perspective is also propelling where the company is headed in the future.

"Scott Simplot, our chairman, one day asked me, 'What's it going to look like in 30 years?' And I answered that the way we're going to farm is going to be so much different than today. The products we use are going to look different. And our output will go to a different consumer," he says. "We will find ways to help the grower adapt to technology, new products, new methods of farming, and that's where we're going to excel in the future."

Looking ahead, Lofto says the business will continue to evolve as the company grows, but the relationship with the grower will remain as the central focus of that growth.

"We see growth, and we see efficiency gains, but as we look to grow our business in the U.S. and internationally, what our business is with Simplot Grower Solutions does not change—it's the relationship with the grower."

ARA Board Members

Current through year ending December 31, 2018

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RICHARD LLOYD Valley Agronomics	MARK ALDAX Mid Valley Ag
AMY ASMUS Asmus Farm Supply	IAN MCGREGOR The McGregor Company
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ROD WELLS GROWMARK	PAUL BACKMAN Syngenta
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DOUG CATT Farm Journal/Ag Professional
CHRIS JAHN The Fertilizer Institute
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MIKE HEMMAN DuPont
JAY VROOM CropLife America
LEROY STARTZ Ag Resource Management
DAREN COPPOCK ARA (ex-officio)

Financials

Agricultural Retailers Association
Statement of Financial Position
September 30, 2018

Current Assets	
Cash and cash equivalents	\$1,177,949
Accounts receivable	10,950
Prepaid expenses	153,381
Investments	4,730,575
Property and equipment, net	125,892
Other assets	14,161
TOTAL assets	\$6,212,908
Liabilities and Net Assets	
Current liabilities:	
Accounts payable & accrued expenses	\$84,057
Deferred rent	7,040
Deferred income	1,782,093
TOTAL liabilities	1,873,190
Net Assets:	
Unrestricted	4,339,718
Total liabilities and net assets	\$6,212,908
Change in Net Assets	
Beginning of year	4,017,495
End of year	4,339,718

Agricultural Retailers Association
Consolidated Statement of Activities
September 30, 2018

Revenue and Support	
Membership dues	\$2,233,798
Annual conference	822,376
Publications and royalties	43,335
Sponsorship, grants and other	84,025
PAC administration	76,173
ARAPAC Contributions	91,895
Other income	29,401
TOTAL revenue	\$3,381,003
Expenses	
Annual conference	\$720,770
Communications	213,829
Governance	363,370
Government relations	885,710
TOTAL program services	2,183,679
Management and general	566,406
Membership services	676,596
TOTAL supporting services	1,243,002
TOTAL expenses	\$3,426,681
Net Gain from Operations	
Investment income gain/loss	367,901
Change in net assets	322,223



1156 15th Street NW, Suite 500
Washington, DC 20005
www.aradc.org