



Drought Cuts Pasture Growth

Farmers face culling cow herds

Page 22

Aged to Perfection

After producing award-winning goat cheese for more than a decade, Baetje Farms is poised to begin a new chapter

Page 6



EXPECT MORE FROM YOUR DIESEL FUEL

Shift your equipment into high gear with BOSS Performance Diesel™.
BOSS was designed to keep engines running cleaner,
longer for greater performance and increased horsepower.

Take Charge.



All diesel fuels are not created equal. Try MFA Oil's BOSS Performance Diesel™ today.

BOSS™
PERFORMANCE DIESEL

MFA OIL
Bulk Fuels

Petro-Card
24

Learn more at www.bossperformancediesel.com.



CONTENTS

SUMMER 2018 • VOL. 3 NO. 3



FEATURES

6

Aged to Perfection

10

**How Blockchain Could
Disrupt Agriculture**

14

**Coalition Seeks to Grow
Demand for Biodiesel**

18

Help Wanted

22

Drought Cuts Pasture Growth

24

Why I Farm: Oliver Farms

26

**Cattlemen Have a
Beef with Fake Meat**

Letter from the President..... 4

Driving with Data

The Big Picture 16

Fill Propane Tanks Now to Save Later

Spotlight..... 28

*Critters Drive Sustainable Success At
Jowler Creek Vineyard and Winery*

DEPARTMENTS

From the Board 30

5 Questions with Benny Farrell

Market Commentary 31

Propane: Get It While It's Hot

News Briefs..... 32

Giving Back..... 33

*MFA Oil Foundation Supports Youth
Sports Programs*

Acquisitions 34

Department Focus 35

*Accounting and Finance Department
Embodies Fiscal Responsibility*

Driving with Data

I I was recently asked by an employee what I think MFA Oil Company will look like in the future and whether I feel we are still prospering. Both are great questions and probably something I don't talk about enough. I feel the company will be much larger in the future and driven by data. We likely will continue to pursue acquisitions and also plan to continue to grow our business organically by switching prospective customers away from our competitors one person at a time.

Some of you may recall CHS bought MFA Oil out of its ownership in the oil refinery in McPherson, Kansas, just a few short years ago. Prior to the buyout, the refinery represented around 70 percent of our earnings over the previous 15 years. We had to make some drastic changes to adapt, and I'm pleased to report we've made great strides in improving the efficiency of our bulk fuel and propane delivery businesses.

We've also implemented the integration of our JD Edwards E1 accounting platform, the largest project in the history of the company. This difficult undertaking has taken several years to complete, but I'm so proud to tell you all of our plants have fully made the transition to the new system. What does that mean for the cooperative? Looking to our past helps to explain it.

YESTERDAY - WHERE WE WERE

- Our antiquated hardware and software systems lacked standardized processes and procedures.
- We were managing reactively because our access to financial information was limited to the previous month or up to 60 days prior.
- The high volume of same-day delivery orders caused our operations to be inefficient.
- We were missing opportunities to maximize our strength and size through

procurement due to too many of our small plants operating in a vacuum, rather than working as a team with neighboring plants.

- We weren't doing enough to train and develop our employees.
- Our lack of e-commerce and online bill pay options resulted in a subpar online experience for our bulk fuel and propane customers.

TODAY - WHERE WE ARE

- Our technology has been upgraded and standardized.
- The new accounting platform has been installed at all of our fuel and propane plants, enabling improved delivery logistics, route optimization and online bill pay.
- We are monitoring some customer bulk fuel and propane storage tanks.
- Our plant managers now oversee broader geographies and work cohesively with other plants within their district. They are also focused on delivering excellent customer service with the help of our customer service representatives and drivers.
- We've leveraged our buying power and are getting far better rates on many of the items we purchase.
- We've created field-based routing centers, modified our route creation process and improved the overall efficiency of our drivers' routes.
- Our board has supported the purchase of state-of-the-art equipment which has enabled us to provide our employees with the tools they need to do the job right without compromising their safety.

FUTURE - WHERE WE ARE GOING IN FY 2018 AND BEYOND

- We've already begun using business intelligence capabilities to manage our business in real time. Getting sales and delivery information quicker helps us manage our business better and more effectively.



- We'll be generating reports capable of flagging variances outside the norm to highlight unusual prices, costs, sales, inventory, etc.
- We'll be establishing management dashboards to provide a quick overview of key performance metrics.
- We plan to bring e-commerce solutions to our bulk fuel and propane customers at mfaoil.com, which will include selling all products online and providing customers with access to their account information.
- We'll be automating our accounts payable department which will enable us to pay up to 80 percent of our invoices without human intervention—reducing costs and errors.

Your MFA Oil Board of Directors has empowered us to aggressively pursue these upgrades to assure the cooperative stays relevant and profitable for many more years to come. We must now put all of the data at our fingertips to good use.

We'd be naïve to believe that managing data properly won't impact some members and customers. For example, let's say our data analysis tells us we have a list of inefficient deliveries, which by the way, is likely to happen. What are we going to do about it? We cannot simply ignore the information. We must act on it and find a solution to make servicing those accounts more efficient.

You might assume that would mean charging more, but that's not always the answer. Let's assume you are using a 300-gallon or 500-gallon tank. In that case, the solution may be as simple as setting you up with a bigger tank. The net result might even help you get a lower price. We offer discounts for right-sizing tanks, which basically means switching you to a correctly sized tank according to your overall demand.

This is a common challenge for companies like MFA Oil which have been in business for decades. Think about it. What has happened to the size of farm tractors and combines? They've grown larger, including their fuel tanks, as farmers tackle more acres. Some of you may even be operating newer equipment with older fuel storage tanks that hold enough volume for only a single fillup. This type of situation creates chaos in the supply chain.

We want to reward you for helping us plan your deliveries with better, more aggressive pricing. That way, you know we are taking care of you, and our employees can feel good about saving you money while helping the company to be more efficient. Striving for these types of win-win scenarios is what being a part of a cooperative is all about!



Mark Fenner,
President and CEO

Thank you

to all our hard-working employees for helping us reach the milestone of complete JD Edwards E1 integration. This is the largest project in the history of the company. While it took us a lot of time to get here, we couldn't be prouder of your commitment to getting the job done.



Summer 2018 • Vol. 3 No. 3

This magazine comes to you courtesy of MFA Oil Company, a farmer-owned cooperative providing energy solutions to customers for more than 85 years.

We deliver high-quality propane, fuels and lubricants to farmers and other customers across a 10-state region stretching from Indiana to Utah. *Momentum* is an information service for farm families published by MFA Oil.

Momentum is published four times annually.

For address corrections, story ideas or other inquiries, email editor@mfaoil.com or call 800-366-0200.

[www.Facebook.com/MFAOil](https://www.facebook.com/MFAOil)

[www.Twitter.com/MFAOil](https://www.twitter.com/MFAOil)

Address: One Ray Young Drive
Columbia, MO 65201

President and CEO
Mark Fenner

Vice President of Sales & Marketing
Jon Ihler

Sr. Manager of Marketing Services
Ashley Bower

Editor
Adam Buckallew

Graphic Designer
Kristin Branscom

Board of Directors
Benny Farrell (Chairman),
Floyd Buckman (Vice Chairman),
Kim Diehl, Ronald Felten, Monte Fisher,
Marion Kertz, Joey Massey, Ralph Schallert

©2018 MFA Oil Company
www.mfaoil.com



ON THE COVER:

Both beautiful and delicious, Baetje Farm's Bloomsdale anchors an award-winning lineup of fresh and aged cheeses that have brought international accolades to this Ste. Genevieve County farm. Photo by Jason Jenkins.

**HAVE AN IDEA
FOR A STORY?**

Send it to
editor@mfaoil.com



AGED TO PERFECTION

Story and photos by Jason Jenkins, Mill Creek Communications



AFTER PRODUCING AWARD-WINNING GOAT CHEESE FOR MORE THAN A DECADE, BAETJE FARMS IS POISED TO BEGIN A NEW CHAPTER

With the pull of a rope, a trap door at the end of the milking parlor rises. Eight Saanen dairy goats enter, moving in unison like choreographed dancers taking the stage. Each dutifully finds her place along the row of head gates, and a metallic rhythm echoes through the parlor as the gates click close.

For about the next 10 minutes, the goats contentedly munch on a custom-mixed ration of grain, protein and mineral as Steve Baetje uses a milking machine to gently coax from their udders what could be considered white gold. Then, a quick pull of another rope and a lift of a gate, and the performers exit stage right where they find alfalfa hay brimming from the bunks.

The show repeats until all the lactating goats in the Baetje Farms herd have been milked. Should you miss the 4 a.m. performance, don't fret. Return in the early evening and catch it all again, as you can twice a day — every day — from early spring through fall.

For more than a decade, Steve and Veronica Baetje have raised goats and made artisan farmstead cheese on their farm just west of Bloomsdale, Mo., in the hills of Ste. Genevieve County. What began as a means of earning supplemental income has become an internationally acclaimed goat dairy and creamery producing both fresh and aged cheeses that rival the French styles that inspired them.

ONE GOAT, ONE DREAM

The couple's journey to cheesemaking notoriety began in 1998, when they bought their first goat. At the time, they lived in a Mennonite community in southern Illinois. Steve and Veronica grew up across the street from each other in South County (St. Louis), but after marrying and struggling to have children, they were searching for a simpler life closer to God and the land. The conservative Mennonites offered the respite they sought. Veronica found new inspiration.

"The Mennonite women were very industrious, amazing people," she says. "They know how to provide their families with the best food. They're expert gardeners, and they preserve everything. When you eat like that, the food tastes so much better."

Veronica's parents had kept a garden, canning vegetables and making preserves. She recalled her mother also making yogurt and her father making cheese a couple of times.

"I remembered them doing that and I thought, 'Nobody's doing any dairy products here,'" she says. "I really wanted to play with that."



Opposite Page: Steve and Veronica Baetje have made goat cheese in the hills of Ste. Genevieve County since 2007. Top: Bloomsdale, Baetje Farms' flagship cheese, is a four-time winner of the World Cheese Awards Super Gold.

At the time, she and Steve didn't need all the milk a dairy cow could produce, and they couldn't afford one anyway. They did, however, have enough to purchase one goat and her kid from a member of their church congregation. Armed with determination and a library card, Veronica brought home books on cheesemaking and started to teach herself.

"One really good book was 'Cheesemaking Made Easy' by Ricki Carroll," Veronica says. "She's an amazing person. I met her once at an American Cheese Society conference, and she actually cried when I told her about how her book helped me begin our company."

The Baetjes continued to live in the Mennonite community as Veronica learned more about cheesemaking, but times were tough. Steve was self-employed in construction, and it was hard to make ends meet living in an area that Veronica describes as economically depressed. When Steve was offered a job back across the river in Missouri in 2005, they decided it was time to go. They loaded up their herd of milk goats — now numbering 20 plus their kids — in their minister's livestock trailer and moved to their Bloomsdale farm.

"The community hated to see us go, but at the same time, they understood that we needed to give it a try," Veronica says. "We bought this property because of the barn, but it was in need of repair. I thought, if we made cheese, we wouldn't have to worry about not having work. It was our dream."

While Veronica had experimented with many varieties of cheese from Colby to Parmesan, she was inspired by her new surroundings. Now living but a stone's throw from Ste. Genevieve — which was founded in 1735 by French Canadian colonists as the first European settlement west of the Mississippi River — she decided to focus her creamery on French-style cheeses.

"When we moved here, all the pieces just fit together," she says. "I started exploring my passion and making cheese that I wanted to make."



Left: Steve Baetje pours goat's milk into the creamery's bulk tank. Top Right: Cheesemaker Alison Penalver of Ste. Genevieve, Mo., uses a knife to cut the curd in a vat of cheese. Bottom Right: Steve prepares a goat's udder for milking. Each doe produces three quarts to one gallon of milk per day, depending on her age, stage of lactation and the weather.

After making renovations to the barn and constructing a cheese plant, the Baetjes were set to follow their cheesemaking aspirations by 2007. Veronica says at first, they envisioned Steve maintaining his full-time job off the farm while she made goat cheese to sell at the farmer's market once a week.

"I would make cheese a couple days a week, but I would still have my garden and our own personal time," Veronica recalls. "Within the first few months, we realized that wasn't realistic."

FROM GOAT TO GROCERY

Currently, the Baetjes maintain a herd of nearly 60 lactating Saanen doe goats. Steve says the Swiss breed is quiet, docile and very personable. They are also one of the larger breeds of goat and are more prolific milk producers.

"Saanens are like the Holsteins of the dairy goat world," he explains. "They give more milk than a Nubian, like a Holstein cow produces more than a Jersey cow, but it's not as rich in butterfat."

The goats are bred each fall, and when kids are born in the spring, the does' lactation cycle begins. Twice daily the goats are milked until they are dried off in the fall to be bred again. Depending on her age, the stage of lactation and the weather, a Saanen doe will produce three quarts to a gallon of milk per day, Steve says.

Changing conditions not only affect the volume of the milk, but they also affect its composition, which in turn affects the cheese.

"When you're making cheese, it's not just following a recipe," Veronica says. "You have to measure pH and identify your conditions. Seasonality plays a role. The goat's milk has a lactation curve, and there's more fat and protein in the milk at the beginning

of the cycle. In the summer, it really drops off. All that affects yield and how that batch is going to set and how it's going to be made. And that's something that is learned over time and experience."

As Veronica's own cheesemaking experience grew, she sought out opportunities to improve her techniques. She took advanced classes in Wisconsin and Vermont, learning from instructors who came from Europe to teach Old World farmstead methods. She also got involved in the American Cheese Society, attending that organization's conference and entering Baetje Farms cheeses in its contest. Accolades soon followed.

"Today, we've won more than 70 national and international awards," Veronica says. "We got involved in the World Cheese Awards, and we won Super Gold for our Bloomsdale — that's our flagship cheese — four years running. I've now been a judge for that contest six years in a row. Of course, I'm not allowed to judge our cheese, but with more than 2,800 entries, there are plenty of cheeses for me to taste and judge."

In addition to Bloomsdale, which is made in the tradition of French Valençay cheese with its distinctive truncated pyramid shape, Baetje Farms regularly produces other aged cheeses. These include Miette, a bloomy rind sheep and goat milk cheese; Coeur du Clos, a cheese that resembles a French Camembert; and Fleur de la Vallée, a semi-soft, washed rind cheese. They also produce marinated feta and Amoureux, a nutty aged cheese with veins of ash that was inspired by French Morbier cheese.

"And, of course, we have our Coeur de la Crème, which is our heart-shaped fresh chevre," adds Veronica, who attributes the creamery's success to their attention to detail, authenticity and passion. "That was the first cheese, and we make it in the shape of a heart because we love what we do."



Left: Bloomsdale is considered a mold-ripened cheese. After being formed into its pyramid shape, the cheese is rolled in a mixture of pine ash and salt. Then, it's allowed to age until it forms a bloom of white mold. Top Right: Andy Maguire of Red Rock, Texas, lends a hand and helps package Bloomsdale cheese. Bottom Right: Yearling Saanen goats browse in a pasture at Baetje Farms.

Outlets for the creamery's products have grown well past the one farmer's market that Veronica first envisioned. Baetje Farms cheeses can be found from New York to California and countless places in between, including Whole Foods.

As the business has grown, the Baetjes have added employees to help with tasks around the farm, including the cheesemaking. They now purchase milk from other sheep and goat dairies to ensure an adequate supply. Several years ago, Veronica formed a relationship with a dairy school in France and sponsors students to come to the United States and practice their craft.

"We've had four students from that school, and they're kind of a part of my family now," Veronica says. "To be able to share this with these young people is really cool. For me, that's the best part of the business — the people who I've met."

A NEW CHAPTER

Much has changed at Baetje Farms since Steve and Veronica descended into this Ste. Genevieve County valley. After only a few years, the demands of the creamery required the pair's undivided attention, and Steve left his off-farm job to work with the goats exclusively. As employees were added, responsibilities shifted.

"In the beginning, you're doing everything," Veronica says, noting that the previous day, she woke at 2 a.m. in order to make cheese deliveries in Kansas City. "You're in the trenches, doing all the jobs everywhere from the farm to the farmer's market, and that's hard. Then as you grow, you become a manager and have people to help with tasks. We still put in the hours, but they're different kinds of hours. We have a little more flexibility."


But even with that flexibility, the couple came to the realization earlier this year that for Baetje Farms to grow further, it needs more time than what two people can pour into it.

"For a husband-and-wife team, we're limited as to how far we can take the business," Veronica says. "We've taken it to this level, and now we're looking for someone who is really interested in being able to take it to the next level."

In May, they officially announced that the dairy and creamery would be sold turnkey with its trademarked brand and logo, customer base and distribution, all recipes and techniques for their cheeses, all equipment and property — and the herd of Saanen dairy goats. Asking price was set at \$1.5 million.

"We've had individuals show interest who would like us to stay involved long-term, and we're open for that. I would like to be involved," Veronica says. "At the same time, it'd be nice to not work so many extended hours."

While she and Steve stole away to Aruba for a week last year, it was the first vacation they had been on together since starting Baetje Farms. Veronica says she has other travel in mind, too.

"I know it sounds crazy, but I love penguins," she says. "I would love to board a National Geographic research vessel and retrace Shackleton's Antarctic journey. I'd like to stand on the shore of South Georgia Island, see icebergs floating in that cold, blue ocean, and meet the penguins." 

For more information on Baetje Farms LLC, visit www.baetjefarms.com or call 573-483-9021. Anyone interested in purchasing the business may contact Jamie Keller at 618-713-7677 or jkeller@buyafarm.com to schedule an appointment.



HOW BLOCKCHAIN COULD DISRUPT AGRICULTURE

By Adam Buckallew

Frank Yiannas walked into his staff meeting with a package of sliced mangoes. As he set it down on the table, he looked at his team of Walmart colleagues and said, “The traceback study starts right now. Hit the clock.”

Yiannas wanted to know from which country the mangoes came and the name of the farm where they were picked—the type of crucial information needed when tracking down potential sources of foodborne disease outbreaks.

“We timed how long it took to get through each point in the food system all the way back to the farm,” Yiannas, who serves as Walmart’s vice president of food safety, shared on the company’s Outside the Box podcast.

The process took six days, 18 hours, and 26 minutes to track the origination of the packaged mangoes. It involved contacting the supplier, requesting paper records and reaching out to the importer. That’s

considered fast by current standards, but Yiannas wanted to do better.

In an effort to accelerate the world’s largest food retailer’s traceability capabilities, Walmart began working with IBM on ways to digitize the journey food makes on its way through the supply chain to the retailers’ 12,000 stores. The collaboration led to the use of blockchain, the recordkeeping technology made famous by the cryptocurrency Bitcoin. The result?

“We’ve gone from nearly 7 days to 2.2 seconds in the ability to track food back to the farm,” Yiannas said. “And not only do we track it back to the farm, but now because we’re capturing that information on blockchain, we have additional information and insights at each point in the chain.”

“That’s food traceability at the speed of thought — as quickly as you can think it, we can know it,” he said.

WHAT IS BLOCKCHAIN?

Still very much in the early stages of its technological development, blockchain was launched in 2009 as the accounting method behind Bitcoin. While the details of the technology are complex and a formal definition has yet to crystallize, it’s broadly defined as a shared digital ledger system for tracking anything of value across a decentralized network of computers.

Individuals or companies use blockchain for peer-to-peer transactions of currency, commodities and data. The ledger is encrypted so that only parties allowed to view it may do so. Once a transaction is documented in the ledger, each computer linked in the network saves an identical time-stamped copy of the record. Each of these “blocks” of data are uniquely encoded and non-replicable. As new entries are added to the ledger, the information is shared across the network in real time, enabling near-instant verification and transfers.

So long as the coding behind a blockchain is written correctly, its information can never be deleted, reversed or edited—guaranteeing the legitimacy and trustworthiness of the data. All participants in the ledger share access to a secure, confidential exchange with no need for third-party validation.

Brigid McDermott, vice president of blockchain for IBM, compares the irrevocable nature of the technology to completing a crossword puzzle in ink rather than pencil. “When you do a crossword puzzle in pencil, your friends are like, ‘Did you do it? Did you cheat?’ You do it in pen, they know whether you crossed it out or not. That’s what blockchain does. It records in a way that everybody trusts the information.”

The breakthrough of being able to share records of every event or transaction within a supply chain on a distributed ledger has captivated the attention of businesses around the globe. IBM is working with hundreds of companies to unlock the potential of the technology.

“Blockchain changes what is possible because it’s about trust...it will transform transactions the way the Internet has changed communications,” McDermott said.



CHANGE IS COMING FOR AG

A recent report from Farm Credit lender CoBank stated interest from the agribusiness sector in distributed ledgers is “rapidly growing” as companies recognize the technology’s potential to “lower transaction costs, optimize logistics, increase traceability, and enhance food safety protocols.”

The International Data Corporation forecasts worldwide spending on blockchain solutions to reach \$2.1 billion in 2018, and food giants like Unilever, Dole, Kroger, Nestlé and Tyson Foods have joined with Walmart and IBM to identify new areas where the technology can improve the supply chain all the way back to farmers and ranchers.

Last December, global commodity trader Louis Dreyfus Co. sold a cargo of 60,000 tons of soybeans to the Chinese government using a blockchain platform. It was the first ever agricultural trade of commodities processed by the technology. The company said the time it took to process documents and data related to the trade was reduced significantly. What normally would have taken two weeks was completed in one.

Automating administrative processes and paperwork through blockchain simplifies transaction settlements due

to both sides of the deal being executed simultaneously. Since all parties receive matching sets of paperwork with no reconciliation or intermediaries required, opportunity exists to cut costs and speed up the supply chain.

Tracking bulk commodities could also reduce the likelihood of fraud. The United Nations estimates food fraud costs the world economy more than \$40 billion per year in illegal trades. The CoBank report suggests blockchain tracing could be linked with DNA testing to create a more accurate traceability system capable of aiding in investigations of illegal diversion, tax evasion, misuse and adulteration in the food chain.

The way traceability in the food chain works today, farmers, processors, distributors and retailers all handle their own records, many of which are kept on paper copies or stored on closed systems. Walmart’s Yiannas said that makes it difficult to track the provenance of foods and handle recalls when each segment is handling its business in its own way.

“What we hope to do with blockchain is bring all food system stakeholders together and collaborate so that we do it one best way...very quickly and efficiently,” he said. “The food system is a shared responsibility and for blockchain

traceability and transparency to work, we need a lot of people working together.”

Enhanced traceability could also aid farmers and livestock producers with documenting regulatory compliance and meeting consumer expectations of sustainability and social responsibility.

THE ROAD AHEAD

While blockchain technology could usher in new possibilities to increase transaction efficiencies and improve traceability in the global agricultural supply chain, there are some challenges that will need to be overcome before it gains widespread acceptance.

“In order to achieve value, blockchain requires the involvement of all stakeholders along the value chain,” said Wesley Lefroy, an agriculture analyst with farm lender Rabobank. “This means, inputs suppliers, farmers, traders, port authorities, banks, logistical providers and processors all participating in a common interface and entering their digital information into the same blockchain. Illustrating value and calculating a proper distribution of costs and benefits may take considerable time, and remains the largest barrier to wide-scale adoption.”

As it stands today, the nascent technology is currently at a similar stage as that of the Internet in the 1990s. There’s clearly excitement and momentum behind building blockchain applications, but a continued push toward standardization and integration is needed before the disruptive technology reaches its potential. As blockchain uses continue to evolve, possible future applications born from innovation may be beyond today’s conceivability.

While speaking at a “Business of Blockchain” conference sponsored by the Massachusetts Institute of Technology, Yiannas summed up his belief in the future of blockchain. “Let me be crystal clear, I can promise you Walmart is not chasing the new shiny coin, or after the new fad. That’s not what we’re doing. I know blockchain is vogue and in fashion, but what we are trying to do is solve business challenges...(and) we’re now beyond proof of concepts. We’ve tracked millions of food packages and over 100,000 traceability events.” 

Enter to Win

2018 JEEP WRANGLER



DRIVE
into
summer

**Break
TIME**

**Dr
Pepper**
Est. 1885

3 WAYS TO ENTER



Scan the code **or**
Complete form **or**
Enter online at
DriveIntoSummer.com

One entry per day • July 8-August 19, 2018

Official rules at DriveIntoSummer.com.



COALITION SEEKS TO GROW DEMAND FOR BIODIESEL

By Adam Buckallew

When Missouri soybean farmers began investing their checkoff dollars into biodiesel research in 1991, they set the wheels in motion for the development of a renewable fuel that would drive demand for their crop and provide a clean-burning alternative to petroleum diesel.

“Biodiesel started out as an idea—an opportunity to add value to soybean oil and help the farm economy,” says Warren Stemme, a soybean farmer from Chesterfield, Mo. “Farmers invested in the technology, and then in biodiesel processing plants. Now we see biodiesel has grown into an important market, bringing both environmental and economic benefits. We’re committed to ensuring Missouri enjoys these benefits for the long haul.”

Nearly three decades later, the state’s soybean farmers have watched as their investment in biodiesel research and partnerships grew from a notion into \$1.7 billion in value-added benefit to Missouri’s gross domestic product since 2007. The Show-Me State is home to eight biodiesel plants, which produce 200 million gallons of the renewable fuel annually. Missouri ranks second nationally in biodiesel output and fourth in production capacity.

As the biodiesel industry has grown, soybean farmers have begun to reap the rewards. Data from the national soybean checkoff program shows biodiesel has increased the demand for U.S. soybean oil and its value by 11 cents per pound, while adding 63 cents of value to every bushel of soybeans.

A study of the soybean value chain commissioned by the Missouri Soybean Merchandising Council shows when soybean oil is processed into biodiesel in Missouri, it adds \$75 per acre to the value of the bean’s oil.

And it’s not just soybean farmers who benefitted from the emergence of the biodiesel industry. The state’s biodiesel industry directly supports more than 2,500 jobs and an additional 6,400 jobs can be linked indirectly.

Though Missouri is a leader in biodiesel production, consumption in the state has lagged. Only a few dozen retail locations offer the fuel for sale. In an effort to bring the alternative fuel’s use in the state more in line with production levels, stakeholders have banded together to form the Biodiesel Coalition of Missouri.

“For the last 10 to 12 years, we have been so focused on building up biodiesel production, and now we need to circle back and promote the benefits of biodiesel so that more people will request it,” says Stemme, who was elected chairman of the newly formed coalition.

In the short term, that means growing interest and demand at the farm level.

As a fuel retailer and a partial owner of the Mid-America Biofuels plant in Mexico, Mo., MFA Oil



Company is supportive of the effort to educate end-users on the perks of filling up with biodiesel.

“We’ve been marketing biodiesel in select areas since 1993 and statewide since 2000, and basically learned the business on our own,” says James Greer, MFA Oil vice president of supply and government affairs. “Improving the public’s understanding of biodiesel’s advantages is a priority, and there’s no better place to start than the farming community.”

Greer is serving as the coalition’s vice chairman and sees room to improve the biodiesel supply stream throughout the state, which he says would help to increase the fuel’s availability.

“Infrastructure is a huge piece of the puzzle and it’s vital to ensuring biodiesel’s continued success,” Greer says.

The coalition, which brings together producers, processors, marketers and industry organizations, is looking at all avenues to build demand, including the possibility of legislation.

“Our neighbors in Illinois have a biodiesel tax incentive and have been buying biodiesel from Missouri producers, but if you look at their state’s financial situation, it’s fair to question whether that will be there long-term,” Stemme says. “Rather than depend on that, we need to be developing demand within our own state.”

FOUNDING MEMBERS OF THE BIODIESEL COALITION OF MISSOURI

ADM, Cargill, MFA Oil Company, Paseo Biofuels, Biofuels LLC, Mid-America Biofuels, National Biodiesel Board, Missouri Soybean Association and Missouri Soybean Merchandising Council.


Membership is open and available to parties interested in advancing the state’s biodiesel industry. For more information, visit www.missouribiodiesel.org. 



Photo by Keith Borgmeyer



Fill Propane Tanks Now to Save Later

A As the summer temperatures rise, the crisp winds of fall and winter can seem impossibly far away. In the heat of the summer, it can be easy to put winter to-do's, such as filling up your propane tank, on the back burner.

But filling tanks now, rather than waiting until winter when increased demand can push prices higher, presents opportunities to lock in savings.

"Propane's winter buying season begins in the fall, and waiting until then to fill up can run the risk of paying higher prices," says James Greer, vice president of supply and government affairs at MFA Oil.

From a historical perspective, Greer says people are better served by refilling their propane tanks during the summer off-season when demand has receded.

Allocation is another reason to buy propane sooner rather than later, according to Kenny Steeves, vice president of bulk fuel and propane operations at MFA Oil. All propane purchases made during the off-season, which runs from April to September, count toward MFA Oil's allocation of propane during times of peak demand, like winter cold snaps. In other words, propane bought now helps to improve the cooperative's supply position each winter.

MFA Oil offers a Pre-Buy Program for customers to contract their propane supply. The program allows you to book a set number of gallons at a pre-determined price. Contracting helps to take the guesswork out of budgeting your propane needs while also providing protection from seasonal price spikes.

Contact your local MFA Oil propane plant to schedule a tank fill or to sign up for the Pre-Buy Program. 

HELP WANTED

**FINDING FARMWORKERS
IS A CHALLENGE**



By Callie Hanson



When Dannie Daughhete reached out to his local unemployment office in West Memphis, Ark., last fall looking for help in filling four positions on his 5,000-acre rice, soybean, corn and cotton farm, he received 18 applications. Only four people bothered to show up to the farm for an interview, and Daughhete's options dwindled further when one applicant failed a drug test, and another left after a mere three hours of labor. The two remaining individuals put in ten days of work before they quit.

Despite living in Procter, Ark., a 30-minute drive from the more than 1.3 million people residing in the Memphis, Tenn., metropolitan area, Daughhete has struggled to find farmhands. "The unemployment office did everything they could to help me, but I still couldn't find people to fill those jobs," he says.

His experience is unfortunately becoming more common among farmers and ranchers looking to hire help.

The U.S. unemployment rate hit 3.8 percent in June, an 18-year low, and for the first time on record there are more open jobs than people seeking employment. The shortage of job seekers has added to the challenge of filling farming positions. As urbanization has increased in recent decades, the number of people willing to work farm jobs has shrunk.

According to a survey of farm owners conducted by USA Farm Labor, a private agency which helps farmers find seasonal foreign laborers, about half of the respondents said the typical American job seeker is uninterested in agricultural labor and 52 percent said they failed to receive a single applicant for advertised positions on their farms.

"Our society has transitioned to more of a white-collar mindset," says Manuel Fick, president of USA Farm Labor. "Most Americans aren't interested in doing the hard work associated with manual labor."

Daughhete says declining work ethic is another major hurdle in finding reliable labor. He's had workers refuse jobs because they would rather sit at home and draw unemployment. Daughhete used to rely on enlisting local workers to help drive his tractors, combines and grain trucks, but he says that's no longer feasible due to lack of interest.

Daughhete has found some luck in hiring retired farmers who are familiar with operating agricultural machinery. These experienced farmers have great work ethic, but come with their own drawbacks. Many have a hard time keeping up with younger workers and are resistant to technological advancements.



Dannie Daughhete

"I usually have to follow the older guys into the field to set their GPS and, even then, they will still try to run it by hand," says Daughhete, "Then the younger guys absolutely cannot operate the equipment without all the bells and whistles."

RECRUITING INTERNATIONAL HELP

Like other farmers who have wrestled with finding enough workers for their operations, Daughhete has been forced to seek help beyond American borders to solve his labor shortage. He has used the federal H-2A guest worker program to bring seasonal employees into northeast Arkansas from Mexico and South Africa. This year he's hired five to keep up with all the work needing to be done on his farm.

Before farmers can hire migrant workers through the H-2A program, they must prove they have advertised the job locally and were unable to secure domestic workers. They must also pay for the recruitment, housing and transportation to and from the guest worker's home country. Workers are paid based on adverse effect wages, which is the minimum wage set specifically for workers on the H-2A visa and is usually higher than minimum wage in most states.

Although Daughhete handles most of the H-2A process to find workers for his farm on his own, many farmers work with a placement agency for aid in navigating the complicated process.

"You would have to deal with about 20 pages of forms to complete the process 15 years ago," says Fick. "Now, the process is more complex, and the volume of paperwork has grown to 180 pages due to increased regulation."

Though many people associate migrant agricultural workers with unskilled laborers toiling on farms that produce fruit and vegetables, there is high demand for employees capable of operating large machinery with GPS capabilities, hauling grain and handling irrigation equipment.

Mark Martens, president of Agri Placements International, says large row-crop farms he works with demand people with advanced skills, the sort of employees that are the hardest to attract and keep. Farmworkers who can be trusted to run expensive equipment are especially valuable, but many of the American candidates for such positions are aging out or retiring.

"The availability of local workers for these types of jobs is basically nonexistent in most places," Martens says.

NOT AS SIMPLE AS IT ONCE WAS

Jason Bean grows cotton, corn, rice and soybean on his farm in Holcomb, Mo., and has dealt with his own struggles to find farm workers. Like Daughhete, Bean needs laborers who can operate heavy equipment and drive trucks.

He says hiring help isn't as simple as it used to be because of the technological advancements in farm machinery. "It used to be that 20 years ago you could just hop on a sprayer and go. Now, it's not so easy. There are multiple control units and a boundary system that only allow you to spray within a predefined area."

There are also safety and liability concerns with untrained employees piloting today's larger and more powerful farm implements.

"Our society has transitioned to more of a white-collar mindset. Most Americans aren't interested in doing the hard work associated with manual labor." - Manuel Fick, president of USA Farm Labor.

"Putting someone with no knowledge of the equipment behind the wheel is an accident waiting to happen," Bean says. He points out that commercial truck drivers have to be trained and licensed before they can legally drive, and he thinks farm equipment should be treated similarly.

The dearth of qualified candidates to hire concerns Bean, but he sees an opportunity to train young job seekers. He suggests adding vocational programs at schools in farm states which would specialize in teaching the operation of agricultural equipment and mechanics. Bean envisions students learning both in classroom and field settings to master the skills needed to be successful working on the farm. He believes this type of training would go a long way in providing a long-term solution to the agricultural labor shortage crisis.

"The education system is really doing a disservice to kids who don't want to go to college," Bean says. "We want all kids to go to college, but that's not logical. Offering programs that train kids to do farm work would solve a lot of issues, and we have the resources to do this. We just need support from higher-learning institutions and corporate players to get a program started."

"It will take a village to solve this issue. We can't continue to do the same things and expect different results. We need cooperation from all players to help us fill the gaps in labor in the agriculture sector." **M**

SUMMER *savings*

STOCK UP AND SAVE · ALL MFA OIL PRODUCTS ON SALE!



ON SALE JULY 1 THRU AUGUST 31.

ALL SIZES ON SALE!



MFA OIL

Premium Lubricants

ORDER FROM YOUR MFA OIL OFFICE TODAY!

DROUGHT CUTS PASTURE GROWTH

FARMERS FACE CULLING COW HERDS

By Duane Dailey, University of Missouri
Photo by Logan Jackson, University of Missouri





In dry weather with short pastures, Missouri cow-herd owners face tough culling decisions. One way to match cows' needs to available grass is to sell cows.

Give careful thought to which grass eaters go first, says Eric Bailey, University of Missouri Extension beef nutritionist. Under drought stress, identifying those cows becomes urgent.

The first cut is simple, Bailey says. Even the best herds have poor performers that need to be culled. Sell cows not pregnant or nursing. There is no feed for freeloaders when forage is short.

"Next, cull lactating cows with bad disposition, bad eyes, bad feet or bad udders," Bailey says. "Now's time to remove cows with blemishes or poor-doing calves."

"Everyone has a cull list," he adds. "But they hesitate to act if a cow has a calf." Some culling helps even in good years. Culling poor cows improves herd averages.

The goal: Keep best genetics in the herd as long as feasible. Finally, lack of feed or water forces a move, Bailey says.

Downsizing goes beyond simply getting rid of bad cows.

Early weaning and selling calves can cut feed demand. That provides needed cash but can hurt annual income.

Another strategy calls for splitting a herd into young and old females. Sell one of the groups. Two- to 4-year-olds may have superior genetics, but older cows show success in the farm's management.

Overall, culling depends on forage outlook for summer, fall and winter feeding.

Level of destocking can differ from farm to farm in the same neighborhood. Rainfall patterns vary greatly. At the recent spring sales of Show-Me-Select heifers, farmers frequently told how they received rain while farms a few miles away had none.

Bailey points out that in typical years, two-thirds of forage yield comes in spring growth. One-third comes in fall

growth. That's when winter stockpiling should happen.

Missouri producers with cool-season grass always deal with summer slumps.

Bailey cautions: Even if rains return, forage yields in 2018 will likely be below normal. Farmers already see low yields following harsh winter and spring grazing seasons.

Most producers already face hay shortages. Many have no reserves. Also, hay growth this year falls well below normal.

A big long-term problem will be winter feed, Bailey says.

Most producers already face hay shortages. Many have no reserves. Also, hay growth this year falls well below normal.

Many farms face severe destocking.

"Initially consider a 25 percent cut," he says. "If normal rains don't return, consider another 25 percent later."


Selling calves early in spite of revenue loss may take care of downsizing needs.

A 50-percent cut ahead of fall forage growth may allow stockpiling pastures for winter grazing. That cuts feed buying but depends on a return of rainfall.

The main advice is to plan downsizing, Bailey says. Management improvements, such as shorter breeding seasons, not year-round calving, can benefit.

For optimists, drought-induced culls can be beneficial. It forces decisions and management.

To clarify thinking, Bailey offers a final thought: "Producers who last longest in cow-calf businesses are not those who make the most money in good years. They are those who lose the least in bad years."

MU Extension regional agronomy and livestock specialists are available to help plan. 

WHY I FARM

OLIVER FARMS

By Brandelyn Martin, ARC Media



Photo by Dana Heidelberg
of Heidelberg Photography

While most family farms have a long history, the Oliver family is breaking ground with their first-generation farm, Oliver Farms. Bill Oliver started farming in the 1990s, during his high school agricultural education courses. Fifteen years ago, Laura came on board, turning the farming project into a family farm that operates in Montgomery, Audrain and Callaway counties in Missouri.

“Our farm is unique because we’re the only first-generation farmers that are around 35 years old,” Bill said.

Laura agreed that first-generation farmers are a rarity today, especially around their area.

“I’d say we are the only farmers in our area on a farm that hasn’t been passed down,” Laura said. “There aren’t many young farmers in our area either, so I think that is kind of unique. That is almost a dying breed these days.”

The Olivers acknowledged that this was probably because it is extremely difficult to get started in the farming business from scratch. Even though the land they farm has been in Bill’s family for years, they are the first ones to farm it, and that presents struggles.

“We have met our challenges, that’s for sure,” Laura said.

One of the challenges is simply obtaining enough money to keep the farm afloat.

“We love to farm,” Bill said. “I don’t even call it an occupation, it’s more of a lifestyle. But, this has got to be the most challenging occupation I have seen in my life. Just trying to acquire the cash to make this thing go every day is unbelievable.” He adds he has put every resource he has into farming.

Every profit is pumped back into the farm. This constant cycle allows Oliver Farms to produce 2,000 acres of corn, soybeans and wheat in addition to a cow-calf operation comprising 80 head of cattle.

To help keep their farming dreams alive, the Olivers own their own trucking business that hauls grain and feed for local elevators. Bill said their hired crew trucks six days a week morning, noon and night. He believes they wouldn’t be able to farm without the extra income.

“If we would quit farming and just truck, we would have a condo at the lake and a really cool boat,” Bill said. “If it weren’t for the trucking business, we would be out of the farming business, I can tell you that.”

Bill has his hands full between the farming operation and the trucking company, which means all hands are on deck when it comes to helping with the farm. The Olivers hired a farm hand to help oversee the operation day to day, and Laura helps when and where she can.

In her free time, Laura also helps with several community programs that teach youth and other consumers about the agricultural industry, including Agriculture Education on the Move and Common Ground.

Bill’s passion for farming stems from helping his godfathers on their farms in the past when he needed a job during the summers. He said farming and this way of life have even become addictive.

“It draws you in,” he said. “I like the lure of all of that big equipment. I thought that was so cool.”

Laura added that her husband has always had a passion for working the earth and being outdoors.

“He’s always had a passion for playing in the dirt,” Laura said. “Even when he was a young boy he would plant up his entire yard.”

“Yeah, we didn’t have much yard to mow when I was a kid,” Bill said. “I had it all growing something.”

Laura believes that raising her two sons, Lukas and Matthew, with this same passion is an important part of why they farm.

“We farm because we’ve been given a task of being stewards of the land, and, for us, it’s a great way to raise our kids with them being around livestock and just knowing the way of the land,” Laura said.

Although they are only 7 and 5 years old, the Oliver boys have gotten a head start in the family business by incorporating their own projects into the farm.



“Our kids have their own little projects out here,” Laura said. “They have some pigs of their own that they are starting to raise. They have 10 acres that is their own little farm. They rent it and help put it in.”

This beginning stage of their involvement on the farm is a good precursor to the dreams their parents have for the family operation.

“In the future, we’d like to see both the boys farm,” Bill said.

Laura agreed and said the plan is to remain sustainable as they continue the operation. They would also like the farm to grow for future generations.

“We have to keep growing so they can all come on board,” Bill said. **M**



Cattlemen Have a Beef with Fake Meat

Missouri Bans Misrepresentation of Meat

By Callie Hanson

Missouri has become the first state to ban alternative-meat products from being marketed as meat. The state's lawmakers approved legislation outlawing foods originating from sources other than livestock or poultry from using the term "meat" on product labels.

The surge of interlopers vying to compete with more traditional protein products in the meat case has prompted action from livestock organizations like the Missouri Cattlemen's Association, which decided something had to be done to protect the interests of its members. Cattlemen from the association approached Senator Sandy Crawford, who serves on the Senate Agriculture Committee, for help with writing and sponsoring the bill.

Crawford, a cattlegirl from Buffalo, Mo., says the new law is incredibly important for producers and consumers alike in the state of Missouri.

"With agriculture being the No. 1 industry in the state, it is important to protect the brand we have created for Missouri agriculture and ensure our consumers know exactly what they are buying," she says.

Animal agriculture contributes \$11.6 billion in added value to the state's economy, and the cattle industry alone contributes more than 35,000 jobs and \$547.5 million in labor income.

Cattleman Greg Buckman says clearly labeling what a product is made of is just as important as other labeling regulations such as country of origin.

"Consumers should know where their meat came from and they should know what it came from as well," says Buckman, who serves as president of the Missouri Cattlemen's Association.

Representative Jeff Knight, a former livestock auctioneer who sponsored the legislation in the Missouri House, says the ultimate purpose of the bill is to provide unmistakable labeling on products that are marketed as meat but do not originate from a living animal.

"This bill will protect the economic interests of the livestock industry and ensure that alternative protein products are not able to ride the coattails of hardworking Missouri producers," Knight says.

He recognizes consumers with diet and health restrictions may need alternative protein sources, but he says the new law will not prohibit these items from being sold. It instead will provide a definitive labeling standard.

"Consumers have a right to know the exact origin of what they're eating."

ANIMAL-FREE FOODSTUFFS

While meat analogues like tofu, which dates back to 164 BC, and veggie burgers have been on the market for years, a fresh wave of mock meats have emerged in recent years. Grocery stores are now home to products such as meatless meatballs, vegan sausages, and chicken-free strips. Companies like San Francisco startup Memphis Meats, which boasts high-profile investors such as Tesla, Bill Gates as well as agriculture heavyweights Cargill and Tyson Foods, are working to commercialize "lab-grown meat" from cultured cell tissue.

Tyson is the largest U.S. meat processor and sold more than \$38 billion in beef, pork, chicken and prepared foods last year. Yet that hasn't stopped the company from backing a variety of emerging food startups focused on sustainability. The company has shifted its mission to strive to be a protein company, not just a meat company.

A Nielsen Homescan survey conducted last year found that 39 percent of Americans are actively trying to eat more plant-based foods. While alternative meat products make up less than 1 percent of fresh meat sales in the United States, research from Nielsen shows their popularity is growing at an annual rate of 24.5 percent.

LABELING FOOD FIGHT

Dairy farmers are no stranger to clashes concerning food labels. They've been battling with soy- and nut-based beverages marketed at milk drinkers. Food and Drug Administration standards prohibit these products from being labeled as milk, but dairymen claim loose enforcement has led to a need for more stringent rules.

"The dairy industry has lost about 10 percent of its market to nut juices and if we, as livestock producers, don't act quickly, we



Keith Homan / Shutterstock.com


will be dealing with a similar predicament in the meat case," Buckman says.

Considering most dairy cattle eventually enter the beef market and account for 20 percent of the beef supply nationwide, Missouri dairies also have a vested interest in the new law. Dave Drennan, executive director of Missouri Dairy Association, backed the legislation and says "anything that helps the beef industry helps the dairy industry."

At the federal level, the U.S. Cattlemen's Association has filed a petition with the U.S. Department of Agriculture's Food Safety and Inspection Service to exclude products not derived directly from animals raised and slaughtered from being labeled as meat.

The National Cattlemen's Beef Association is pushing for even stricter laws prohibiting imitation products from using meat terminology in branding. Citing a history of lax FDA enforcement, NCBA has urged USDA to assert regulatory authority over the FDA for foods produced from cell cultures derived from livestock.

The FDA has signaled it is ready to "take new steps" to ensure consumers understand the health attributes of the foods they purchase.

"It's important that we take a fresh look at existing standards of identity in light of marketing trends and the latest nutritional science," FDA Commissioner Scott Gottlieb said in March. "We also want to know if consumers are being misled in ways that can adversely affect their dietary decisions when certain products qualify themselves with terms such as milk or rice, but are made from ingredients that don't reflect the traditional assumptions about how products labeled that way are derived." 

Critters Drive Sustainable Success At Jowler Creek Vineyard and Winery

Fields of corn and soybean are common sights on the short drive from Interstate 29 to Jowler Creek Road in rural Platte County, Mo. A different kind of crop grown in rows soon comes into view as tires crunch the gravel of the road. An unpaved driveway leads the way to Jowler Creek Vineyard and Winery and the home of Jason and Colleen Gerke.

A quick scan of the premises reveals this is no ordinary farmstead. A Tesla charging station stands ready to dispense power to visitors. Bat houses jut above the edges of the vineyard. Solar panels soak up the sun on the roof of the winery's tasting room. A flock of sheep stroll amid the vines chomping weeds.

The Gerkes got into growing grapes as a hobby in 2003 when they moved from Kansas City, Mo., to the countryside and planted 250 Norton grapevines. Bit by bit, they've grown the operation. The couple started by delivering wholesale wine during the lunch hour of their day jobs. As the business took off, they converted the basement of their home into a bonded winery before eventually building a standalone facility for wine production and tastings in 2010.

Along the way to becoming full-time vintners, the Gerkes have incorporated environmentally friendly management practices into their operation, which now includes 3,500 grapevines on seven acres surrounding their family home.

"We wanted to have a sustainable business that maintains the natural balance of the vineyard while protecting and preserving our natural resources for future generations," Colleen says.

The sheep were among the first of many sustainable management practices the



Top: Jason and Colleen Gerke operate Jowler Creek Vineyard and Winery. Bottom: The Gerkes introduced sheep to their vineyard to control weeds without needing herbicides.

Gerkes have adopted in their 12 years of commercial winemaking. A dozen of the woolly creatures "mow" down unwanted vegetation, eliminating the need for herbicides and minimizing soil erosion.

Adding bats to track down winged pests and free-range chickens to control vine-munching ground insects has allowed the duo to keep bug populations in check while nearly eliminating the need for spraying insecticides.

Other eco-friendly choices such as conserving water with a drip irrigation


system, harvesting solar power to offset up to a third of the winery's energy usage and turning grape remnants into nutrient-rich compost led to customers referring to Jowler Creek as the "green" winery. The Gerkes have embraced the label and found it also makes financial sense to practice sustainability.

"The decisions we've made have improved the economic viability of our farm," Colleen says. "It's not just something we do to make us feel good, it's also helping to sustain our business."

We've saved a lot of money by bringing in our critters and spending less on spraying, fuel and other inputs."

The couple's commitment to responsible environmental stewardship earned Jowler Creek Vineyard and Winery the distinction of being Missouri's first green winery in 2017. The Gerkes efforts were recognized by the Missouri Department of Agriculture for their sustainable practices across five categories: energy, farmstead, grassland, livestock and specialty crops.

Visitors to the winery can follow a self-guided sustainable agricultural tour which loops around their property and details the long list of green practices the Gerkes have incorporated into their business.

A t-shirt hanging for sale in the tasting room clearly states the Gerke's goal: producing sustainable wine for "a better planet one glass at a time." 

Jowler Creek Vineyard & Winery, located at 16905 Jowler Creek Road in Platte City, is open Wednesday through Friday from 11 a.m. to 5 p.m. and Saturdays from 11 a.m. to 9 p.m. For more information, call (816) 858-5528 or visit jowlercreek.com.

LIFE GETS BUSY.

Wouldn't it be nice to have one less thing to worry about?



MFA Oil's Auto-Fill Program utilizes tank-monitoring technology that factors in past usage and weather conditions and tells us when you need propane. You won't need to check your tank gauge or worry about running out of propane. We'll deliver when you need it.

LEARN MORE AT keepwarm.com.

MFA OIL
Propane



5 Questions with Benny Farrell



Q How would you describe yourself and your farming operation?

A I was born and raised in northwest Missouri and have been farming here my entire life. I represent the fifth generation of my family to do so. My wife, Nancy, and I raise corn, soybeans and cattle with our two sons and their families here in Maryville.

In addition to sitting on the MFA Oil Board of Directors, I have also served on the MFA Incorporated Board, National Cattlemen's Beef Board, Farm Bureau Advisory Board, National Beef Board and the Missouri Beef Industry Board.

Q You have served on the MFA Oil Board of Directors for 27 years and seen many changes with the cooperative during that span of time. Which company-related events that occurred during that time frame are the most memorable to you?

A The most memorable thing to happen during my time on the board was the sale of our ownership stake in the NCRA petroleum refinery in McPherson,

Kan. MFA Oil was contractually obligated to sell our position in the refinery to the majority owner, and at the time, the refinery's earnings accounted for more than two-thirds of our income. Navigating that process in a way that returned as much value as possible to our farmer-owners was crucial. The eventual sale brought in millions of dollars of capital that the company has strategically reinvested in acquisitions and operational improvements.

Q What motivated you to serve on the Board of Directors for so many years?

A The people involved with MFA Oil are the reason I have served for so many years. I have had a chance to develop great relationships with the farmers and ranchers involved in the cooperative. As chairman of the board, I have had the opportunity to develop great connections with not only the people in my own district, but across the cooperative. Our employees have also been a huge part of the reason I have stayed for as long as I have. I've had the opportunity to work


with some great managers and staff at the company, and I am especially appreciative of all the men and women who serve our patrons in rural America.

THE PEOPLE INVOLVED WITH MFA OIL ARE THE REASON I HAVE SERVED FOR SO MANY YEARS. I HAVE HAD A CHANCE TO DEVELOP GREAT RELATIONSHIPS WITH THE FARMERS AND RANCHERS INVOLVED IN THE COOPERATIVE."
- BENNY FARRELL

Q What has been your approach as chairman when it comes to helping govern the cooperative?

A Putting our members and customers first has been my priority throughout my time on the board. The cooperative is almost 90 years old, and one of the primary reasons we are still here today is because we have always focused on delivering outstanding service to the people who do business with us. We have to be prepared to service these people and keep them as valued customers while continuing to deliver top-of-the-line products.

Q What do you view as the most important issues MFA Oil and its members are facing?

A At the moment, high input prices and low commodity prices are hurting the agricultural community. It's a basic thing, but a real challenge. I've been farming my whole life and that is just part of it. As an energy supply cooperative, we do everything we can to provide competitive pricing and the best service possible to our farmer-owners. 



>> BENNY FARRELL
Chairman
District 1 –Northwest

Propane: Get It While It's Hot



Photo by Keith Borgmeyer

S Summer is here, and it is officially barbecue season. Propane fuels grills across the country, but the pursuit of a perfectly grilled pork chop isn't the only reason to purchase propane this summer. It is never too early to start getting ready for winter.

As we came out of last winter, propane stocks had been drawn down substantially and inventories stood at 35.7 million barrels by the end of April. This put propane supplies well below the three-year average for that time of year. Propane market players wondered if there would be enough time to build stocks back up to a comfortable level before the return of cold weather, and prices moved higher as a result.

The spring buildup in inventory started slowly but has ramped up in recent months. Total stocks currently sit at 63.6 million barrels, which is just above the three-year average for mid-July. There are now about two months left in the


inventory buildup season, and the market concerns about inventory levels have abated, causing prices to ease lower over the last month. Summer has traditionally offered one of the best times of the year to lock in and/or purchase propane, and this summer certainly looks no different.

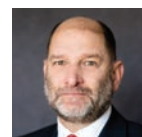
SUMMER HAS TRADITIONALLY OFFERED ONE OF THE BEST TIMES OF THE YEAR TO LOCK IN AND/OR PURCHASE PROPANE, AND THIS SUMMER CERTAINLY LOOKS NO DIFFERENT.

I understand spending money on propane when it is not necessarily in need can be an issue for some customers. In order to mitigate this concern, MFA Oil offers a variety of payment plans to make budgeting ahead a breeze. You can choose from options that allow you to spread the cost out over a period of time. If you are worried about the potential of missing

out on a lower price, MFA Oil also offers a maximum price contract option to let you lock in a price you are comfortable with and still qualify for the possibility of lower pricing upon delivery, based on market prices.

Propane is a global commodity, and activities around the world can impact it, in addition to our own winter. For example, if Gulf Coast propane providers increased exports, it could drive prices higher. But if larger exports do not materialize, then prices may stay relatively flat.

Purchasing propane for your tank now is the easiest way to prepare for the coming winter. Take action by filling your propane tank today, and you will be ready for anything Mother Nature could throw at you this winter. 



» TIM DANZE
is the hedging manager
for MFA Oil.



MFA Oil President and CEO Mark Fenner (left) received the Outstanding CEO Communicator Award from the Cooperative Communicators Association. Fenner was nominated for the award by Adam Buckallew (right), Momentum editor.

Mark Fenner Named Outstanding CEO Communicator

On June 5, Mark Fenner, president and CEO of MFA Oil, was awarded the Outstanding CEO Communicator award by the Cooperative Communicators Association (CCA) in Fort Worth, Texas.

Fenner was presented the award at the CCA annual institute. A panel of judges from the association reviewed each nominee and their commitment to effective communication as a part of their management style. Nominees for the award were also judged based on their support of communication within their cooperative and the standards set by past honorees.

Fenner's monthly employee podcasts, regular meetings with employees from across the company, question-and-answer sessions, and down-to-earth communication style were all deciding factors in his selection for the award.

In addition to Fenner's award, the MFA Oil Marketing Department also won first-place honors for Momentum Magazine in the member newsletter category and first place for its 2017 annual report.



Richard Fordyce

Fordyce to lead Farm Service Agency

MFa Oil congratulates Richard Fordyce, a longtime member of the cooperative, for his appointment to serve as the administrator of USDA's Farm Services Agency by the Trump administration.


Fordyce will oversee the agency's effort to support agricultural production across the country through a network of 2,100 county and 50 state offices.

Fordyce most recently served as state executive director for FSA in Missouri. Prior to joining FSA, he served as the Missouri Director of Agriculture from 2013 to 2017. Fordyce is a resident of Bethany, Mo., where he and his wife, Renee, raise soybeans, corn and cattle on their family farm.

Drought Info Sought

The public is invited to submit information to help local, state and national decision-makers assess drought conditions and impacts in Missouri.

You may submit information about conditions in your area to the Missouri Extension Drought Impact Reporter at arcg.is/1f95Pi, said Pat Guinan, University of Missouri Extension climatologist. Guinan worked with the National Drought Mitigation Center and the National Integrated Drought Information System to develop the website.

"This site will be very helpful when it comes to assessing drought conditions and compiling impact reports at the local, county and state level," Guinan said. "Nobody knows a drought and its impacts better than a person living in it does. Your local input and expertise is valued." 

SAVE THE DATE FOR ANNUAL MEETING

MFA Oil will host its 89th Annual Delegate Meeting in Branson, Mo., on Nov. 4 and 5, 2018.

Delegates of the cooperative come together at the annual meeting to conduct elections for the MFA Oil Board of Directors and approve the distribution of patronage to the membership. Attendees are provided with an update on the company's performance and an outlook of what to expect from the company in the future.

MFA Oil Foundation Supports Youth Sports Programs

Youth sports are as American as apple pie. Participation in activities such as youth sports has proven time and time again to be a positive outlet for kids to develop healthy lifestyles and learn the importance of setting goals, working as a team and how to win and lose with grace. But rural communities are at a particular disadvantage with maintaining youth sports leagues due to a lack of funding, says Tom May, chairman of the MFA Oil Foundation Board. This is a primary reason why the foundation endeavors to support such programs in communities that cannot otherwise afford them.

The MFA Oil Foundation is proud to be able to support a variety of youth sports programs from community-driven programs to high school teams. Board member Kim Diehl hopes these grants give kids something they can be proud of and encourage higher participation in youth sports.

“Our youth are the foundation of any community,” Diehl says. “That’s why we have prioritized working with the youth and building from there.”

Many non-school-affiliated programs receive limited financial support and rely on registration fees and annual fundraisers. The Hallsville (Mo.) Optimist football league is no different. When the league’s president, Bryan Wildenhain, faced the dilemma of raising registration costs to replace nearly 12-year-old shoulder pads, he sought the assistance of the MFA Oil Foundation.

Wildenhain says his main concern is making sure players have access to equipment that will keep them safe during their games.

“Equipment technology has come a long way since the last time we were able to purchase new stuff,” he says.

Thanks to a grant from the MFA Oil Foundation, the Hallsville Optimist football program was able to purchase new shoulder pads without raising the cost of registration for kids wishing to participate. Wildenhain believes wholeheartedly in the importance of youth sports and did not want to exclude any families who may not be able to afford higher fees.

Like other rural communities, Bronaugh, Mo., has a small tax base and, therefore, a limited budget for extracurricular programs at its schools. For nearly 50 years, the school district’s high school baseball and softball teams shared the same field. The Bronaugh Athletic Booster Club received a grant from the MFA Oil Foundation to assist in its efforts in building a new softball field.



Tonya Cliffman, a member of the booster club, says she saw just how important this field was to the team and the community as a whole. Members of the softball team spent much of their free time assisting in the construction of the new field, which is also used by elementary and middle school students.


“The girls took pride and ownership in the construction of the field because they got to help build it with their own two hands,” Cliffman says.

The Jasper (Mo.) High School track program saw a successful 2018 season after they received a grant from the MFA Oil Foundation to purchase new javelins, vaulting poles and indoor hurdles.

Head coach David Davis sought out an MFA Oil grant to set his athletes up for success in the season, and it paid off. Jasper High School had three state qualifiers in girls pole vaulting and in boys hurdles and javelin.

Davis attributes a portion of his team’s successes this season to the equipment he was able to purchase for his team with the grant money.

“The new equipment is safer and more effective, especially for the pole vaulters,” he says. The indoor hurdles also helped his team keep practicing despite inclement weather.

“Youth sports are an important part of growing up,” May says. “They give kids the ability to work as a team, which makes them a more hireable adult.” 

— By Callie Hanson

Learn more about the MFA Oil Foundation Grant Program at www.mfaoil.com/communityinvolvement/mfaoilfoundation.

MFA Oil Adds to Its Propane Operations in Arkansas and Missouri

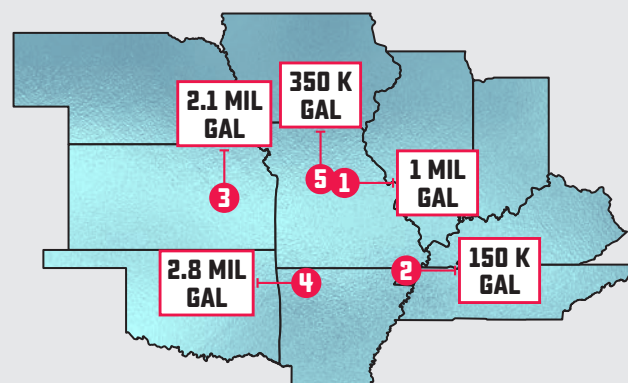
MFA Oil continues to grow and recently bolstered its position in Arkansas and Missouri with a pair of acquisitions. The cooperative purchased George's Gas Co., Inc., a propane retailer based in northwest Arkansas with offices in Berryville and Harrison on April 30. The next day, MFA Oil acquired full ownership of Howard Electric-MFA Propane LLC in Fayette, Mo. The latter entity was formed in 1999 as a collaboration between MFA Oil and Howard Electric Cooperative.

"Bringing George's Gas into the fold significantly strengthens our presence in northern Arkansas, and the number of poultry farms in the area fits well with our expertise," says Jon Ihler, MFA Oil vice president of sales and marketing. "We have a lot of value we can provide to the agricultural producers and residential customers in the region."

"MFA Oil's success and longevity in their industry, along with the transparency and integrity they've demonstrated throughout this process, gives us great confidence that they will take excellent care of our customers and employees," says Matt Brown, vice president of real estate development and gas at George's.

Rather than maintaining the former Howard Electric-MFA Propane LLC office in Fayette, MFA Oil is servicing customers from its existing operations in the surrounding area.

The acquisitions of George's Gas and Howard Electric-MFA Propane LLC represent the cooperative's fourth and fifth acquisitions of its fiscal year, which began Sept. 1, 2017. Earlier in the year, the company added Callaway Propane LLC of Fulton, Mo.; Raines Oil Co. of Senath, Mo.; and Cardie Oil, Inc., of Tampa, Kan. **M**



FY 2018 PROPANE AND REFINED FUEL ACQUISITIONS

JANUARY 2018

- 1. Callaway Propane LLC • Fulton, Mo.**
• 1 million gallons of propane annually
- 2. Raines Oil Co. • Senath, Mo.**
• 150,000 gallons of refined fuel annually
- 3. Cardie Oil, Inc. • Tampa, Ks.**
• 1.6 million gallons of propane annually
• 460,000 gallons of refined fuel annually

APRIL 2018

- 4. George's Gas Co., Inc. • Berryville and Harrison, Ar.**
• 2.8 million gallons of propane annually

MAY 2018

- 5. Howard Electric – MFA Propane LLC • Fayette, Mo.**
• 375,000 gallons of propane annually

SHARE THE LOVE.

Refer a friend and you'll both get \$50.

As a current MFA Oil account holder, you can earn a \$50 MFA Oil gift card for every new propane customer you refer. There is no limit! And, not only will your friends enjoy friendly, reliable service, they will get a \$50 gift card too!



Call your MFA Oil Propane office or visit www.mfaoil.com to get started.

*Some restrictions apply.
Contact your MFA Oil Propane office for details.*



Accounting and Finance Department Embodies Fiscal Responsibility



F For nearly 90 years, MFA Oil has built a reputation of conducting its business with steadfast financial integrity. The foundation of this commitment is rooted in the cooperative's principles, which calls for fiscal responsibility and to do the right thing, ethically and morally, at all times. These sentiments, which have remained consistent since the company's founding, guide the MFA Oil accounting and finance department.

Thanks to responsible stewardship, MFA Oil is in excellent financial condition with a strong balance sheet, says Gayle Bailey, senior director of accounting and finance.

"Maintaining a healthy balance sheet enables us to minimize costs and to be more profitable, which equates to more equity and patronage for our member-owners," she says. "We take great pride in delivering straightforward and reliable reports to our stakeholders."


Careful management and responsible business practices are the keys to the department's effectiveness. Bailey and her crew of talented accountants, auditors and financial professionals ensure the company's money and assets are prudently handled.

The accounting and finance team is composed of three essential units, each of which plays its own role in maintaining sound financial policies and practices within the company.

- **Inventory accounting** – tracks and keeps records of the millions of gallons of petroleum products handled by the company
- **Banking** – manages daily cash flows in and out of the company and makes loan recommendations
- **Retail** – administers the finances of the Big O Tires, Break Time and Jiffy Lube brands

"Each of these groups contributes to the overall success of the company and our ability to return value to our member-owners through growth in equity and patronage dividends," Bailey says.

Even though the accounting and finance staff may not have direct contact with the cooperative's farmer-owners, the work they do is vital. The department determines the overall profitability of the company and calculates how much members will receive in patronage at the end of each fiscal year. Accurate accounting and meticulous recordkeeping help to ensure farmer-owners receive as much patronage as possible in their dividend checks.

Through faithful adherence to sound financial procedures, the department delivers fiscal responsibility and compliance upon which members can rely. Their dedication to keeping costs down and providing consistent, trustworthy reports aids the cooperative in returning maximum value to its farmer-owners. 

– By Callie Hanson



P.O. Box 519
Columbia, MO 65205



COMMITTED TO YOUR COMFORT

At MFA Oil Propane, keeping your home comfortable in the winter is our top priority. Let us prove it with our new *Keep Warm Guarantee*. Take advantage of our 100% Pre-Buy, 4-Pay or Budget contracting programs to lock in your price for next winter.

**We'll monitor your tank to ensure you don't run out of propane,
or your next 100 gallons are FREE*.**



www.keepwarm.com

*Keep Warm Guarantee only applies to contract customers with Auto-Fill delivery and whose primary heat source is propane. Account must remain in good standing.