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PERSPECTIVES



2022

**Together Equals
Results That Matter.**





PERSPECTIVES

A Mountain View Co-op Publication

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Fiscal Year End

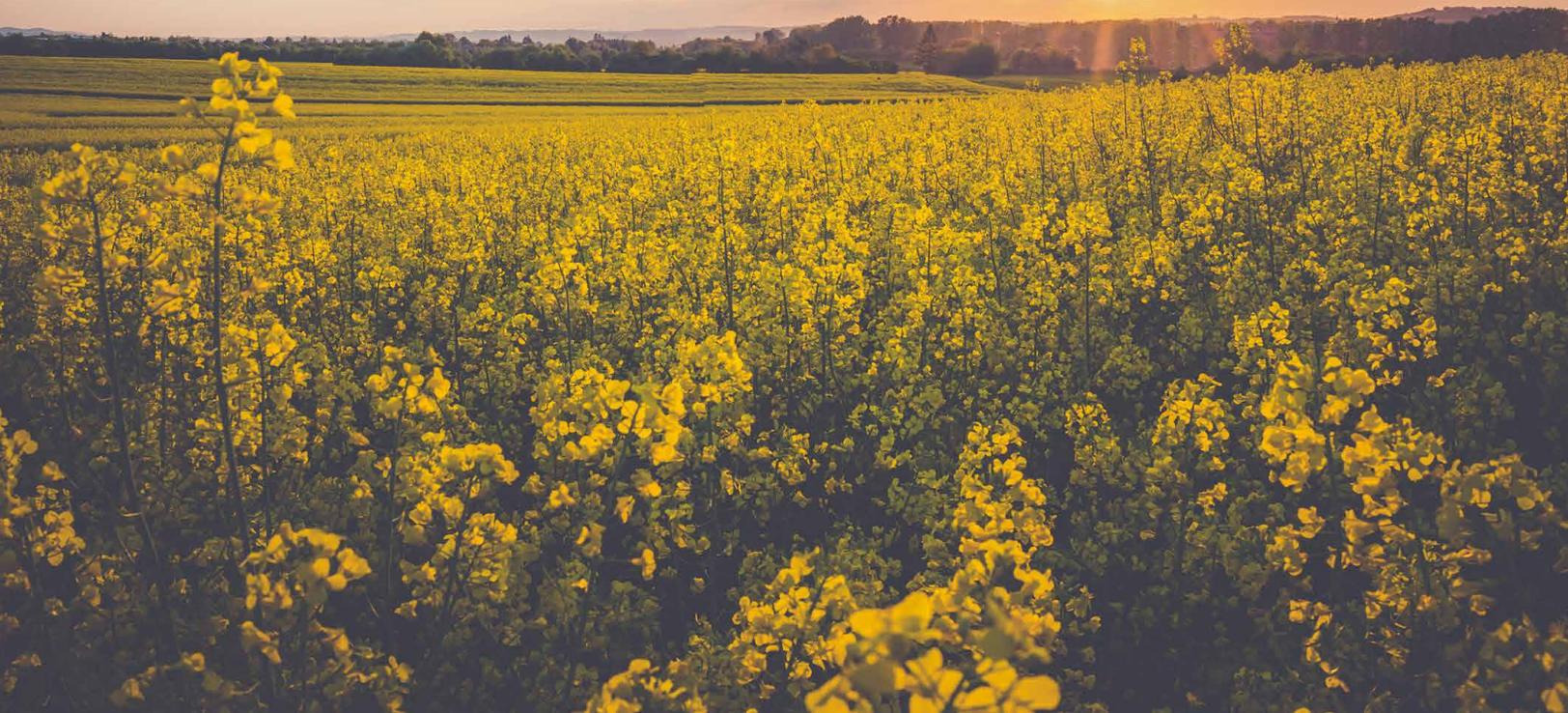
Mountain View Co-op's fiscal year ended on June 30th. The full report was presented at our annual stockholder meeting on October 11th. Your cooperative had a record year with sales of \$245 million and local net profit of \$9 million. All business units posted record or near-record performance. Thanks to this performance, we will be distributing roughly \$6 million in patronage (including \$2.4 million in cash!) based on FY22 earnings. Those checks and statements will be sent out in early December.

Recently, the board approved to revolve \$2.6 million in local equity. This brings our local equity redemption current through 2010. With your support, MVC has returned over \$22 million in cash to our patrons in the form of cash patronage and equity redemptions over the past five years. We have also allocated over \$10 million in equity during this time.

FY2022 underscores the foundational reason for doing business with a locally-owned cooperative. While other companies might take this record profit and sock it away, or perhaps issue a stock buy-back to reward their investors and boost their share price, we are different in a number of aspects. Our profits, as always, are distributed back to you, our patrons, in cash and equity. After all, you are the ones who made MVC successful in the first place. In addition, as a locally-owned cooperative, all the business decisions are made right here in North Central Montana. Those decisions are made for the best interest of MVC and its owners only.

On behalf of the board and management team, we sincerely appreciate your support of MVC through the business you chose to do with your locally-owned cooperative.

Dan Schuler, President
Art Schmidt, CEO



Agronomy Update

By Nate Fairbanks
Agronomy Division Manager

Our agronomy team is back in the field as winter wheat seeding finishes up across Central Montana. I'd like to share news about three brand-new, exciting projects that are ready to help you succeed.

Upgrades To Our Seed Plant

Bigger. Faster. State of the art.

Most companies use those words as marketing tools, but they were genuinely the criteria that we used when we designed the upgrades to our Collins seed facility. It's bigger, because we added more bins and more than doubled the storage. It's faster, because we bought brand-new equipment that not only cleans wheat faster, but better. These improvements give us a state of the art, industry leading facility. That's important, because about 60% of Central Montana farmers are cleaning and treating their own seed vs. buying certified seed.

Stryker: Mountain View's New Seed Treatment

The improvements in cleaning equipment and storage are only half of our seed story, though. This month we introduced Stryker, our very own seed treatment package that we developed through a partnership with BASF. It's designed to protect Central Montana crops against Central Montana crop problems, such as Pythium, Fusarium, Root Rot, Rhizoctonia, wireworms, and more. It's everything that our crops need, and nothing they don't. One of the unique things that we will be offering is differentiated coloring to our seed treatment based upon the class of wheat that is being sold. This will eliminate any confusion about which seed is which!

Accolade: A Powerful Financing Option

The turmoil in Ukraine has led to instability in the global agriculture supply chain, which is, to put it mildly, concerning. We're worried that supplies of some products, specifically crop protection chemicals, could be limited, so we're introducing a financing tool that will allow you to purchase chemical products ahead of time at 0% interest so you can put your purchase "in the books" and ensure delivery. We also offer standard lines of credit on seed, application services, feed, fuels, fertilizer, and chemicals, so please talk with your sales agronomist if we can help.

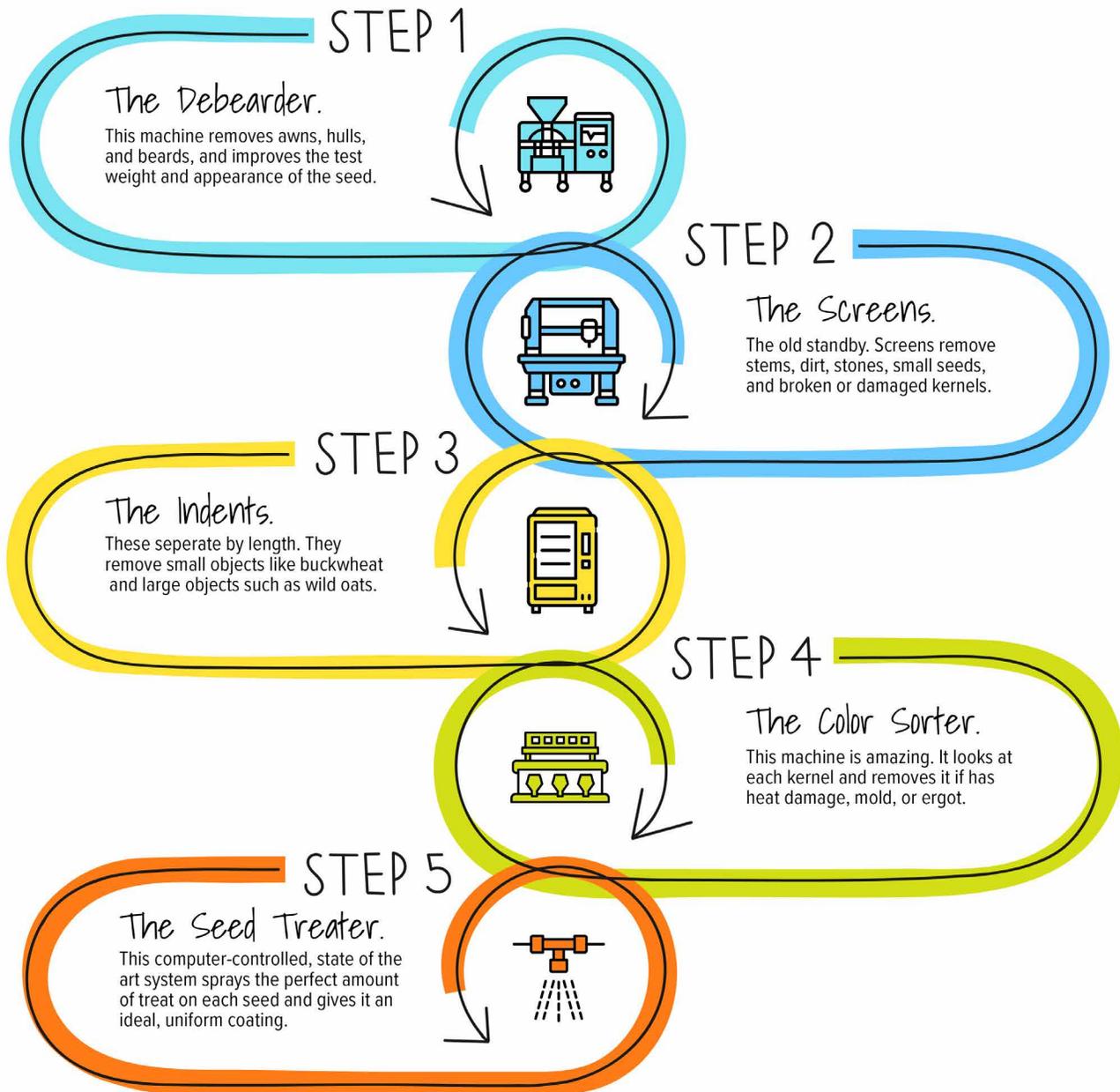
We're excited for the upcoming crop year and to see these new systems in action. As always, thank you for trusting Mountain View with your crop input needs and we look forward to earning your business for this upcoming year.



How Mountain View Cleans and Treats Seed

Great seed starts with great cleaning. We invested in all-new equipment specifically designed to work together and perform industry-leading seed cleaning, and then topped it off with a state of the art seed treater. The result? Mountain View now has the most modern seed facility in Montana.

Here's how it works:



Why clean seed, anyway?

Cleaning is vitally important when it comes to making great seed. Cleaning removes shrunken, broken, or shriveled kernels that won't grow, and it takes out all of the stems, chaff, and other trash that could potentially plug up the seeder or ruin the treatment coating. After all, you wouldn't paint your living room without removing the pictures first, would you?

Introducing Stryker Seed Treatment.

Once a seed is planted in the ground it immediately comes under attack. Plant diseases such as Pythium, Rhizoctonia, Fusarium, and common root rot look for any opening, and once they find a weakness, they pounce. The result is damaged crops, lower yields, and lower profit for our producers.

That's where our new seed treatment, Stryker, comes in. We can custom blend our treatments to match the exact needs of each producer. For example, one farmer might be concerned about heavy grasshopper pressure while another isn't, so we only add the treatment that's required, and nothing that isn't.

While others may overcharge, and overuse chemicals that aren't needed, Stryker is precise and accurate, using the right treatment in the right amount. Others work like hand grenades, but Stryker is a sniper rifle.

The latest weapon in the battle for higher yields.



Stryker
SEED TREATMENT

Only at Mountain View Co-op.



Grain Market Update

By Jake McFarlin
Grain Division Manager

Lately it feels like we are experiencing a handful of one-off events that are making wheat marketing very challenging.

What is the grain market talking about? The Russian invasion of Ukraine continues to be one of the most important stories. The Black Sea region typically supplies around 25% of world wheat exports. Since the invasion these shipments have been drastically reduced. Although we have seen some movement recently, the Black Sea export ports have been closed most of the summer, and their future availability remains in doubt.

We are also facing domestic logistic challenges. High diesel costs have driven transportation rates up across the board. Truck, rail, and ocean rates have all increased. At one point rail rates tripled in a two week period! Poor railroad performance has also caused secondary freight values to rise.

The trade is also anxiously watching tensions between China and Taiwan. Tensions continue to rise between the two countries. Many feel that China is watching the world's response to Russia's invasion of Ukraine to give them an indication on how the world would react to China invading Taiwan. Taiwan is one of America's largest wheat customers. Disruption to the Taiwanese economy and their ability to buy wheat would have drastic effects on our wheat market.

The U.S. export market has been very defensive. Short domestic supplies are in tight hands both on-farm and in commercial storage. This has created a very difficult environment for exporters. Foreign suppliers have been much more willing to sell wheat at these levels, which is leaving the U.S. struggling to be competitive for anything other than our routine business.

As we move into Midwest corn and soybean harvest season the wheat market gets a chance to take a breather and let some of these issues work themselves out. The PNW export market typically shifts its focus away from wheat in this period. The big question is where will these issues be in a few months when the market finishes up with corn and soybean harvest and looks to begin shipping wheat again.



Harvest 2022

Harvest 2022 is in the books, so it's a good time to take a look back at how this year's crop compares to previous years.

We just finished harvesting a wheat crop roughly half the size of the previous two years. Hard red winter wheat yields in our area struggled to break the 30 bushels per acre mark, and many producers were happy just to have enough yield to justify combining their spring crops. Unlike previous years, the Collins area was one of the worst drought areas of the state and country. The silver lining is that quality was exceptional.

The law of Supply and Demand is in full effect now. With record yields we typically see prices fall to offset the increase in supply. Harvest of 2020 saw cash prices as low as \$3.50 per bushel for HRW. In 2021 most of the PNW region saw drought conditions and resulting poor production and poor quality. Our area was an exception in 2021. Our Collins area hit a few timely rains, which gave us an excellent crop in an otherwise low supply market.

During the 2022 crop year it was our turn to have a poor production year. We received a little over 4 inches of total rainfall from seeding to harvest, and half of that rain came in late June and early July. This caused our production to suffer greatly. Average yields were cut in half from previous years.

Now that harvest is complete, we are left with a market trying to wrestle with a small domestic wheat crop, low export demand, and moderate world supply. For MVC producers this means volatile price movement and potential for wild swings. If it was easy, everyone would do it!



Retail Division Update

By Dave Douglas
Retail Division Manager

As summer draws to a close I wanted to give you an update on what the retail division has been up to.

Our most visible project is the construction of our new Black Eagle South convenience store. I am very pleased with where we are at this point in the project, especially considering some of the obstacles we have had to overcome. Without doubt the biggest issue we've run into is having to replace the original underground tanks. The old tanks were single-walled, and our new tanks are double-walled. While we didn't *have* to replace them, the new tanks are much safer and better at containing any leaks. That's important, because this location is about 300 yards from the Missouri River. We want to be excellent stewards of our land and resources, and replacing the tanks is proof of this commitment.

Construction supplies and materials availability has been pretty good so far. The only supplies that have been delayed are the entry doors, and they are scheduled to arrive in the middle of October. I would like to see us further along on the concrete and asphalt. However, I have been promised and am optimistic that it will be completed prior to snow.

I am optimistic for a January of 2023 opening. This is going to be an amazing location that we can all be proud of, and we can't wait for you to see it!

We're not stopping there. As you'll see on the next page we've recently purchased Kelly's Service Station in Choteau, and we're excited to continue our relationship with the folks in the Choteau community. In fact, we have plans for remodels and improvements at many of our retail locations. This is an incredibly exciting time to be at Mountain View.

As always, thank you for your business and support.



The cooler wall being installed.



The beautiful curved bar is going in.

New Acquisition!

Kelly's Service Station in Choteau is now a Mountain View Location

For the past 15 years Mountain View Co-op has been a partner with Kelly's Service Station in Choteau, Montana. Recently, the owner of that business, Tim Kelly, decided to retire, and we have entered into an agreement to purchase the business from him.

We want to thank Tim for his years of steadfast partnership, and for trusting us with his business as he enjoys his well-deserved retirement.

Mountain View was founded on the principle of providing great products and service to our patrons in Central Montana, and this acquisition will carry that same philosophy forward. It will be an honor to work with and support the Choteau community in this new, expanded role, and we can't wait to get started.



SmartLic Sale!

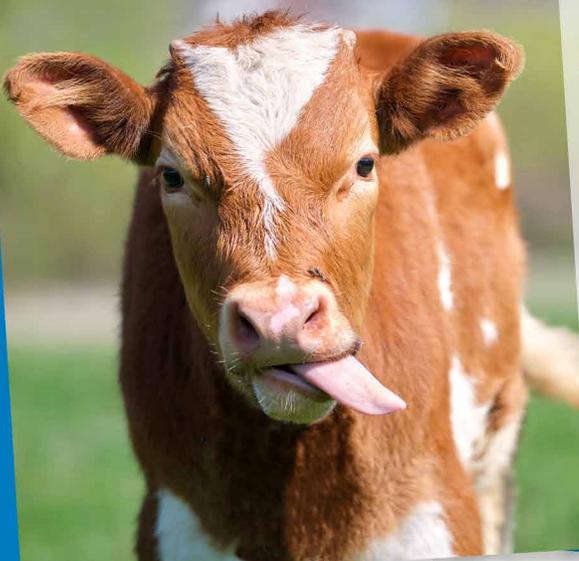
Have cows, sheep, goats, or horses?

Research shows that feeding SmartLic supplements helps improve your forage utilization and results in lower feed costs on a per-day, per-head basis.

These supplements are fortified with high levels of essential vitamins and lots of minerals to enhance animal health.

Best of all, they're on sale this month at Mountain View Co-op!

Check them out at your local Mountain View feed store.



Sale!

SMARTLIC
SUPPLEMENTS

**\$40 off per ton,
now through
October 31!**


MOUNTAIN
VIEW CO-OP



Sale!

SMARTLIC
SUPPLEMENTS

**\$40 off per ton,
now through
October 31!**


MOUNTAIN
VIEW CO-OP



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MOUNTAIN
VIEW CO-OP

Why is Fuel so Expensive?

By Dustin Jones
Energy Division Manager

“Why are gas prices so high?” I get asked that all the time, and it’s a great question. Let’s take a look at the four main segments that factor into the price of fuel.

Crude oil: The unrefined oil gasoline is made of makes up **54%** percent of the total cost. Geo-political tension, large exploration projects placed on hold, or global conflicts all affect the crude oil price.

Refining: Refineries are complex, expensive to build, aging, and often in need of repair. Almost every refinery in America is working at record capacity maximize production. Even with all of that, they only account for **14.4%** of the price of your gallon of gasoline.

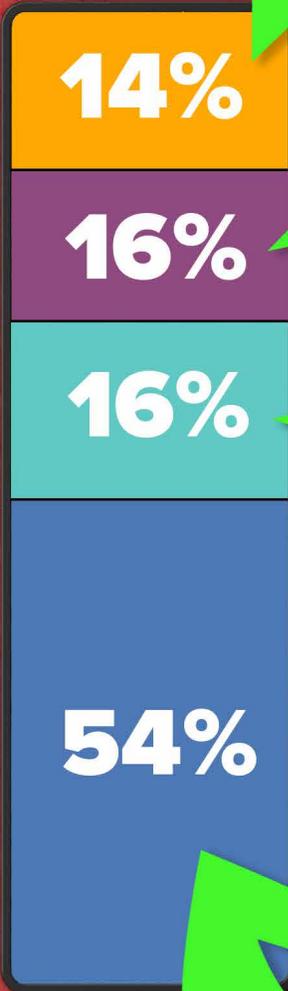
Federal and state taxes: Good ol’ Uncle Sam. Taxes account for **16.4%** of the cost of your gallon of gas. Like it or not, we have to pay for those beautiful Montana roads somehow. Right now, federal and State of Montana taxes add up to 51.4 cents per gallon.

Freight and marketing: This category is made up of two parts. First, freight. The fuel has to get from the refinery to the gas station, and freight (whether it’s by ship, train, or truck) has gotten a lot more expensive lately. Second, marketing, in this context, means the local gas station (that’s us!), and most stations are struggling with labor shortages, parts delays, and more. This segment makes up only **15.5%** of the price of gas, and most gas stations are trying to make ends meet on just pennies of profit per gallon.

As you can see, there’s a lot that goes into the creation, distribution, and pricing of fuel. Check out the chart on the next page!



Where does your gas money go?



Freight & Marketing

Federal & State Taxes

Refining Costs

Crude Oil

Propane Tank Burn Off

Here's something you don't see every day!

Regular maintenance is important for every machine, but not many people think about performing maintenance on their propane tanks. We do, though!

While tanks don't have a lot of moving parts, they have a very strict maintenance schedule on the parts that do move- the valves. In fact, regulations state that the valves of big propane tanks need to be replaced periodically, and that is no small task.

The first step is, of course, to get all of the propane out of the tank. We do that by using our trucks to pull as much of it out as we can. There's always a bit of propane gas left in the tank, though, so a burner pipe is attached to the tank, the valve is opened, and we burn off the last little bit of remaining propane gas, ensuring that the tank is completely empty and safe to work on.

It puts on quite a show!



Who's Who at Mountain View



Skylia Dalgarno has spent this summer at Mountain View, working on digitizing our old paperwork as part of our push to go paperless. Earlier this month, though, she took a big step in her life by getting sworn in to join the Air National Guard!

Skylia has big plans for the future. She just started her senior year of high school at CMR soon, and after graduation she will report for eight weeks of basic training in Texas. After that, she'll have ten weeks of job training, where she'll learn how to be a valuable member of the Security Forces.

Her commitment doesn't end there, though. For the next six years she'll be drilling one weekend a month, and once a year she'll spend two straight weeks working with the guard. During all this she will go to college in Bozeman.

According to Skylia, service runs in her family. She has two uncles who were in the Army, and one who is a Marine. They helped with her decision to join the service, but she says the biggest factor was that she has always wanted to help people and eventually work in law enforcement.

We couldn't be prouder of Skylia. Thanks for your service!

Mountain View is proud to welcome Daron Strey as the new manager of our White Sulphur Springs location!

Daron grew up in Minnesota, where his family had a small hobby farm. He says "I kind of always knew I wanted to work in agriculture", so after high school he moved to South Dakota and attended college at South Dakota State (Go Jackrabbits!) where he majored in agronomy.

Shortly after his graduation Daron started working for Agtegra, an agricultural co-op located in Chamberlain, South Dakota. He started as an agronomist, but after a few years the beauty of Montana called to him, and the rest is history.

Daron replaces Chad Evans, who recently left us to pursue his lifelong dream of owning his own business. Many thanks to Chad for his great work with us, and we all wish him the very best of luck with his business.

Be sure to say hi to Daron if you see him, and welcome to the team!



Living in Fast Forward

At Mountain View Co-op, we get things done fast.

Click the pictures below to see a few of our projects getting done quickly, thanks to the magic of time-lapse photography!



Sod goes in at our new corporate office



The canopy comes down at our c-store



Morning traffic at our Black Eagle C-Store



A rainstorm rolls in over Great Falls

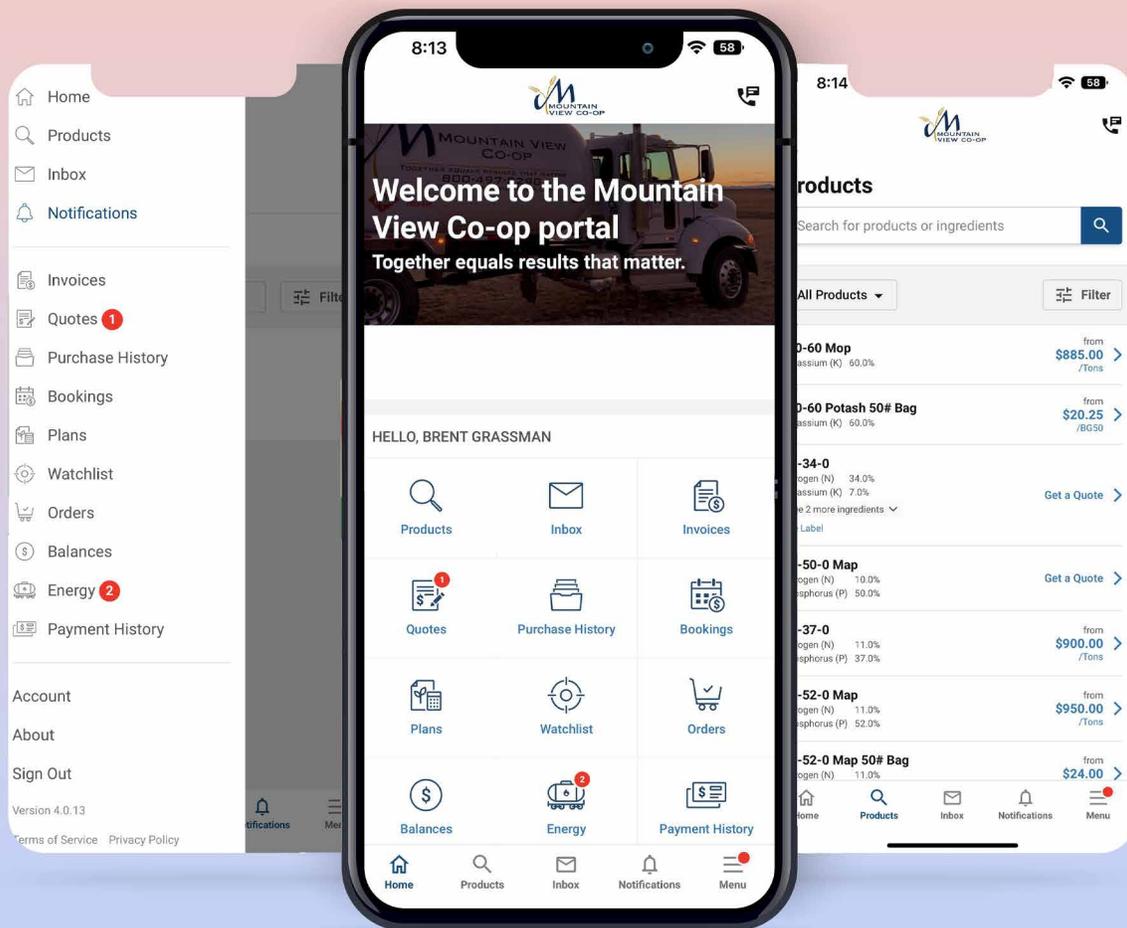


A new bin is installed at our Collins seed plant



Two days of harvest activity at our Collins elevator

Our new mobile app just crossed over 1,000 users!



By now you've probably heard about our new app (we sure hope you have!). It's a great way to connect to Mountain View 24 hours a day and get information on your account, agronomy prices, see your invoices, and even pay your bills instantly right through your phone. No more check blanks, stamps, or trips to the post office required!

We recently hit a nice milestone. Our 1,000th user signed up and started using the app!

If you've downloaded the app and are using it, thank you! If you haven't tried it yet, [click here](#) to download it and give it a shot!



October is National Co-op Month!

Happy National Co-op Month!

According to the United States Department of Agriculture there are more than 40,000 cooperatives in America, and those co-ops employ almost 200,000 people. These jobs provide more than \$25 billion dollars in wages each year!

The roots of co-op principles can be traced back to the first modern cooperative, which was founded in Rochdale, England in 1844. A few dozen tradesmen joined together to open a store that sold food items that they couldn't otherwise afford, namely flour, sugar, butter, and oatmeal. Within a year their membership more than tripled, and their investment had increased six-fold. They then began selling tea, tobacco, and other goods, and though their business grew, they stayed true to their original principle of working together for the common good.

The rest is history.

Co-ops all around the world operate with the same core principles and values, and Mountain View is no different. Everything we do is for the benefit of our patrons and our communities, and every single decision is made right here in Montana- Not Kansas City, not Minneapolis, not Europe, not Japan. Right here, by people who live and work in the communities we love.

It's a formula that has helped our patrons succeed since we were founded in 1916, and we're proud to carry it forward.

Why Work at Mountain View?

Mountain View Co-op has well over 200 employees working all across Central Montana, and we're always looking for more. That's why our human resources manager, Mallory Antovel, came up with the idea to make a short video featuring our employees talking about what it's really like to work here.

We've been to every location and interviewed over 100 of the incredible folks that make Mountain View such a great place to work. It has been a fun, educational, and even inspirational project, and we can't thank everyone enough for taking the time to chat with us. Now that the video is done we're editing it into a short little movie that we can't wait to share.

Interested in working with us and helping Montana's farmers feed world? Check out our open positions at [mvc.ag/careers!](https://mvc.ag/careers)



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