

### Your Propane Partner

by Adam DeLawyer,  
vice president, CHS Propane

Every day, CHS Propane is focused on evaluating and meeting the needs of our customers.



I've seen this from both sides.

For the past five years, I was a CHS customer and in a similar chair to yours as head of energy for a cooperative in Wisconsin. In March, I was excited to re-join CHS (I started my agricultural career here in 2008) as vice president of propane.

Getting a propane gallon where it needs to be is important, and it takes a lot of steps along the way. This is where CHS is different. Along that journey, we strive to be your strategic partner and are focused on long-term partnerships versus short-term profits.

For that partnership to thrive, it needs to be a two-way street. By taking advantage of the tools CHS offers, like the Propane Control Room and risk management contracting programs, we can be your valuable teammate in making sure your customers have the propane supply they need.

In this issue of *Market Pulse Special Edition*, we highlight challenges in our industry and how CHS can help you grow your business through these challenges.

A clear theme in making sure your propane supply meets the business needs of you and your customers: Communication. When we know what you need, we can help come to the table with solutions, whether that's helping you supply plan or manage price risk.

At CHS, we strive to be more than a reliable propane supplier; we are a strategic partner and industry resource to help your business succeed even in challenging environments.

Thank you for your continued business. I look forward to working with you.

### What you can do: Preparing for this year's harvest and home heat seasons

This past spring was unlike anything we've seen across the CHS footprint. Challenging weather delayed planting season, which, in turn, will cause a delayed harvest this fall. This will impact propane supply, as harvest and drying season will come right up against home heat season in a lot of the Midwest.

"Normally, following harvest, propane supply has an opportunity to build up before home heat season starts. We don't expect that to happen this year," says Dennis St. Aubin, director of marketing for CHS Propane West Region Sales and Energy Equipment. "There could be great demand on supply all at once."

While propane supply has already been contracted for fall, St. Aubin says there are a number of things propane marketers can do now to proactively prepare for the fall and winter seasons. "It all starts with communication with your supplier," he says. "The more you know about your customer's needs, the more you can communicate with your supplier and help make sure propane gallons are where you need them when you need them."

In addition to regular communication with your supplier, St. Aubin suggests:

- **Taking advantage of online tools** — The CHS Propane Control Room helps marketers understand their load history, see contracted loads and specify their needs month-to-month using the nomination tool. Tools like this allow for precise supply planning and clear communication with account managers.
- **Diversifying your supply points** — By getting your propane from multiple supply locations through CHS, there is decreased risk in supply challenges. Work with your account manager to understand where your propane comes from.
- **Evaluating your customers' tank size** — When a customer has right-sized their propane storage, it creates a reliable supply for their operation and causes less instability in the marketplace. Programs like Storage for Pennies from CHS help marketers or farmers upgrade their storage and pay the tank off over time through qualifying purchases of propane. See page 2 for more information on Storage for Pennies.
- **Understanding your customers' businesses** — Increased harvest equipment capacity or changing acreage can do a lot to affect how much propane your customer may need and how quickly they need it. By maintaining regular communication with your customers about their operation, you stay ahead of the game to meet their supply needs.

"This fall will be a challenge throughout the agricultural industry, but if we collectively build a conduit for communication from your farmers to your supplier, we can all be successful in completing a safe and seamless supply during the 2019 harvest season," says St. Aubin.

Current customers can contact their CHS Propane account manager to plan their propane supply for this fall and winter. Not a customer? Call 800-852-8184 to connect with us.



## Propane Safety in Livestock Barns and Greenhouses



Propane heating systems are great solutions for maintaining temperature control in a variety of structures, especially on the farm. But it's important to encourage your customers to properly maintain propane heaters to ensure optimal safety.

Confined structures on a farm can spur corrosion in metal components of propane heating systems due to humidity or even ammonia exposure from animal waste. So how can you help your customers stay safe?

### Encourage customers to check systems regularly

Your customers should conduct yearly visual inspections of all parts of propane supply and heating systems, both inside and outside structures. But because pipes are often enclosed behind walls or the ceiling, visual checks are not enough on their own. That's why it's important to also conduct leak checks to ensure the system holds pressure. Leak checks

will verify that the system is sound- and leak-free. Ideally, leak checks are done every year or two.

It's also important for any debris to be removed from the inside cover of the vaporizer annually. This debris could cause a fire or prevent the vaporizer from operating efficiently. It's important that your customer's follow all manufacturer's maintenance recommendations when doing this.

### Educate your customers

It's the responsibility of the livestock producer or greenhouse manager to train new employees about all aspects of the structure, including the heating system. As the propane supplier, you can provide safety information that educates your customers about all parts of the heating system, do's and don'ts for working around it and any warning signs that could indicate something is wrong.

Although propane is odorized, the smell of animal waste in many barns may overpower it, leaving workers unable to detect gas leaks by scent. This is why it is imperative for all employees to know other danger signs, plus where and how to safely shut off the propane supply if a leak or problem is suspected.

### Be aware of new construction

The best time for a propane expert to get involved with a new livestock building or greenhouse is in the design stage.

If you have a customer building a new structure, you can connect them with experts who can offer advice on the general heating system layout, from recommendations on the best type of pipes and fittings to proper locations for tanks and vaporizers. *-Ken Mueller, CHS hazardous gas technician*

**Ready to meet your partner? Become a CHS Propane customer today**

Only CHS customers can take advantage of CHS Propane insights and rebate programs. **Call 800-852-8184 to learn how you can become a CHS customer** and gain a strategic partner in your propane supply.

## Help Your Customers Reduce Supply Risk with Storage for Pennies



What if you could pay for new assets a penny at a time? It's possible with the CHS Storage for Pennies program.

Through the program, qualifying customers can lease-to-own propane storage and autogas equipment. Equipment is paid off through CHS propane purchases and amounts are based upon total project cost divided by the total number of annual propane gallons purchased.

Get started by contacting the Energy Equipment team of experts at 800-852-8186 and press 1. This team can help with all of your energy equipment needs and can provide an estimated Storage for Pennies ROI on your project in just a few minutes.

**Contact CHS Energy Equipment at 800-852-8186, press 1**