



Seasons of Change

2024 ANNUAL REPORT



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Our Board of Directors



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MARK JOHNSON



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JIM WAGNER



BRIAN WELLS



Seasons of Change



A MESSAGE FROM OUR CEO & BOARD PRESIDENT

Northwest Iowa faced a challenging year in 2024. While yields overall were positive last fall, many to the south felt the impact of very dry conditions. The spring included a rain forecast that just wouldn't quit. While refilling moisture in our soils, the wet conditions created additional stress for those of us in agriculture due to the tight planting and application windows. On top of this, over 40 of our AgState families felt the impact personally with basements and some main levels impacted by the great flood of 2024. AgState had 18 of our team in Spencer, Cherokee and Sioux Rapids who saw significant damage to their homes. Thank you goes out to those of you who helped with the recovery efforts for these individuals and others in our communities.

Despite challenging spring conditions and lower commodity prices, AgState finished another successful year. We are pleased to report that your cooperative had a good year with total sales at \$950 million and after-tax earnings of \$18.1 million. Your board approved the distribution of \$8.3 million in patronage with \$2.5 million paid in cash. A Section 199 tax deduction of \$7.5 million or 9.75 cents/bushel will also be shared with members. A revolvment of 2012 preferred stock totaling \$2.7 million was approved and issued in late October. This revolvment was paid to members with 2012 Class A, Class B and Class C Preferred Stock. Total cash returned to members since the inception of AgState totals \$23,834,415.

The 2024 fiscal year was another interesting year for your cooperative. We saw grain margins down slightly due to reduced trading opportunities but saw increased demand for price-later and storage services. A wetter crop required extra drying demands throughout the year. The hog market saw higher profits in 2024 which resulted in higher feed tonnage volume and improved margins. A warm winter resulted in reduced demand for propane which negatively impacted our energy department. Our agronomy business was up on fertilizer tons and down slightly on chemistry and seed. Total application services were about even with the prior year despite reduced fungicide acres. The AgState team managed our expenses well, with total costs down from the prior year, despite seeing significant increases in health insurance and property taxes.

AgState invested over \$11 million into our facilities and equipment this past year. One of the larger projects started was the Marcus fuel cardrol located just south of our office building which should be completed by mid-November. This will replace the in-town location with a much more convenient option offering blender gas pumps, diesel for your semi needs and a great location. Our energy department is excited to make this investment into the Marcus community. AgState has continued to make various improvements in many of our grain, agronomy, and feed facilities including new bin sweeps, automation, dust systems, concrete restoration, electrical improvements, application equipment, etc. These improvements continue to enhance AgState's ability to offer reliable services for our members and to make our teams jobs easier in the future.

The AgState team continues to adapt to the changing agricultural landscape. This was our first year to utilize the H2A VISA program to fill 18 of our open operational positions. Our total open positions are down 50% from where they were last year at this time. The availability of applicants seems to be improving. We have invested significantly in the training and development of our team. New processes and procedures are being established to help the team more consistently meet your needs. We are utilizing "Operations Management Associates" and "Agronomy Sales Associates" positions to build a stronger bench to support business growth and to replace those employees reaching retirement age.

AgState will continue to look for new opportunities as NW Iowa continues to change. We see great opportunities ahead. Continued ethanol demand and increasing soybean crush capacity in Alta will change grain flows in NW Iowa. Ensuring we have the right facilities with the right unloading capacity in the right location to meet member needs will be important. Our Marketing Service Reps provide important expertise available to help you with your grain marketing needs as you fight the quagmire of trade information available. AgState’s agronomy team’s expertise, data management program (InSiteCDM) and continued investments in our agronomy facilities will help us better meet the current and future needs of NW Iowa producers. Our energy business and feed business continue to drive

increased volumes with growers needing better solutions and services.

Thank you for your business this past year and thank you for continuing to let us serve your farming and livestock production needs.

Troy Upah *Jim Franzmeier*

Troy Upah - Chief Executive Officer
 Jim Franzmeier - Board President

Patronage Rates

GRAIN	DPAD	AGRONOMY	FEED	FUEL
5.0¢/bushel	9.75¢/bushel	2.5% on sales	1.0% on sales	5.0¢/gallon

Potential Patronage per acre for members engaged in Agronomy, Energy and Grain business with AgState.

CORN CROP

Grain Yield	200 bu.	\$10.00/acre
Production Deduction Credit	200 bu.	\$19.50/acre
Seed	\$150.00/acre	\$3.75/acre
Fertilizer	\$187.00/acre	\$4.68/acre
Chemicals	\$40.00/acre	\$1.00/acre
Applications	\$9.25/acre	\$0.23/acre
Fuel	7.81 gal/acre	\$0.39/acre
TOTAL CORN PATRONAGE		\$ 39.55/acre

BEAN CROP

Grain Yield	60 bu.	\$3.00/acre
Production Deduction Credit	60 bu.	\$5.85/acre
Seed	\$53.00/acre	\$1.33/acre
Fertilizer	\$127.00/acre	\$3.18/acre
Chemicals	\$56.00/acre	\$1.40/acre
Applications	\$9.25/acre	\$0.23/acre
Fuel	6.24 gal/acre	\$0.31/acre
TOTAL BEAN PATRONAGE		\$ 15.30/acre



Focused on Expertise, Best Practices and Innovation for the Future

A MESSAGE FROM OUR CFO

As we reflect on the past year, I want to take a moment to share some key accomplishments from the Finance and IT group and outline our vision for the future. Your support has been essential to us, and we believe it's important to keep you updated on our progress and future plans.

In line with our commitment to Excellence, and with the goal of driving financial results for our member owners, we have established finance business unit team leads, aimed at cultivating specialized knowledge and implementing best practices. We have also introduced a dedicated Customer Service Representative (CSR) team lead role, aimed at supporting our CSRs and improving our overall customer service delivery. Our finance team continues to explore new technologies to support AgState initiatives and is progressing with the implementation of Tableau as an internal reporting resource.

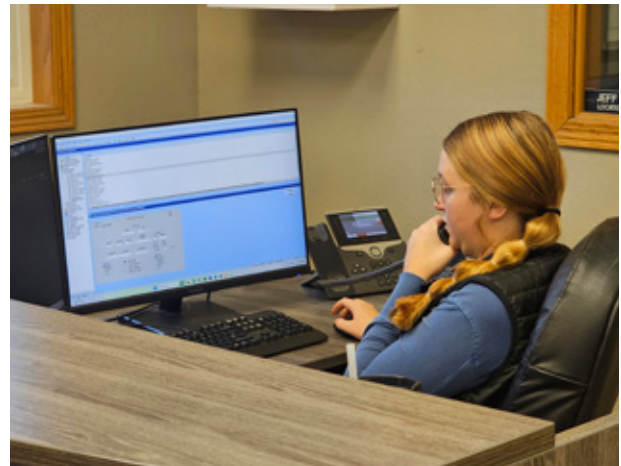
Additionally, our IT team has successfully supported several key initiatives across the organization, driving innovation and enhancing operational efficiency. This includes the recent installation of an RFID system in Royal on the new outbound

scale. The RFID system assists with weighing and ticketing and contributes to operational efficiency and drives simplicity of doing business with our customers.

As we look to the future, our vision for the Finance and IT departments centers around four key areas: values, financial performance, transformation, and supporting growth. We are excited about the direction we are heading and remain committed to fostering strong relationships with our customers. Thank you for being a vital part of our journey.

Cindy March

Cindy March - Chief Financial Officer





Focused on Operational Excellence while Humbled by Safety Results

A MESSAGE FROM OUR COO

At AgState, the safety of our people and the responsible operation of our assets are at the core of everything we do. Guided by our values of Respect, Integrity, Safety, and Excellence (RISE), we are thankful to report that in fiscal year 2024, we had no serious injuries or major safety incidents. Most importantly, these efforts protected lives, but they also had a positive business impact, leading to lower workers' compensation and property insurance premiums for fiscal year 2025.

This year, we strengthened our safety culture through multiple operations trainings and targeted operational process improvements. Rigorous trainings for handling anhydrous ammonia, facility and equipment maintenance, onboarding checklists, and electrical safety paired with formal process improvements empowered staff by taking their safety and technical skills to the next level. These initiatives not only helped us maintain a safe work environment but also reinforced our commitment to excellence across all areas of the business to better serve our members.

On the capital investment front, we focused heavily on enhancing our Agronomy and Grain operations. Many improvements including plant technology, electrical, containment, and hazard monitoring cannot be seen by customers, but help to speed up or safely deliver essential services that customers rely on. We also continued investing in our grain infrastructure to ensure its long-term functionality and structural integrity including new dust systems, sweeps, and loadout improvements. In fiscal year 2025, we will further accelerate capital investments to modernize both Agronomy and Grain, increasing our capacity and enhancing operational efficiency.

While we are humbled by the progress made on our safety journey, we recognize the importance of continuous improvement. In fiscal year 2025, we will introduce new technology to enhance driver safety and maintain a leadership focus on connecting everyday actions and behaviors with our safety culture. Additionally, we will continue working



While we are humbled by the progress made on our safety journey, we recognize the importance of continuous improvement.

toward operational efficiencies, mitigating the impact of inflation on operating costs, maintaining progress on grain inventory management, while streamlining agronomy inventory management and accounting processes. Our commitment to excellence is ongoing, and with the foundation we've built, we look forward to serving you in the year ahead.

Marc Mears

Marc Mears - Chief Operating Officer



2024 Growing Season Report: Unwavering Commitment in the Face of Change

A MESSAGE FROM OUR VP OF AGRONOMY

The 2024 growing season has been nothing short of unpredictable, with unusual weather patterns affecting much of our region. From excessive spring precipitation leading to flooding, to stretches of drought-like conditions, farmers faced significant challenges, including extended and variable planting dates. This, in turn, resulted in a lengthy and complex window for crop input applications. Despite these obstacles, our team of sales agronomists and plant personnel demonstrated remarkable resilience and dedication.

By working closely with producers during these challenging conditions, we've built stronger relationships, listening to their needs and adapting quickly. It's in these collaborative moments that our team's deep respect for the land and for those who work it truly shines. The pride our team feels when working alongside our customers is evident in their faces every day. Whether it's providing timely advice or ensuring that inputs are delivered and applied precisely, we uphold our promise to serve with integrity. We are not just selling products—we are trusted partners invested in our customers' success. The variable planting and application schedules posed logistical challenges, yet our plant teams remained steadfast in prioritizing safety at every stage. We recognize the importance of not just getting the job done but doing it safely and responsibly to protect our people, our customers, and the environment. Excellence is at the heart of everything we do. Our team wakes up each day with a commitment to providing agronomic solutions that drive results,

combining expertise with the values our customers know and trust.

One example of this excellence is a last-minute switch for a customer who planted later than expected. Our team worked closely with him to identify and implement a different post-emergence product, helping ensure his farm remained productive despite the challenges. Another notable highlight from this season occurred this fall when one of our customers compared corn yields after applying fungicide to part of his farm, intentionally leaving 40 acres untreated for comparison. The results were clear: the treated acres yielded an impressive 40-50 bushels per acre more than the untreated ones. This stark difference showcases the exceptional agronomic advice and prescriptions our team provides, reinforcing the importance of timely, science-backed decisions for crop health.

Agriculture is more than just a business; it's a way of life. At AgState, our unwavering commitment to our customers and their livelihoods is what makes us proud to serve the farming community. Despite the challenges of the 2024 season, we have continued to provide excellent agronomic solutions to our producers. It is through this trusted partnership that we continue to grow together making agriculture one of the best livelihoods!

BY THE NUMBERS

500K >>> Acres of AgState Adjuvant applied

21,785 >>> Acres added to the InSiteCDM Program for FY24

Sara Meadows

Sara Meadows - VP of Agronomy



DRONE SOLUTION PROGRAM

AgState officially launched its drone programs Scout & Deploy in 2024, flown by an internal AgState Pilot while supported by operations and the InSiteCDM Teams!





Year-End Energy Department Update: Driving Efficiency and Protecting Our Customers

A MESSAGE FROM OUR VP OF ENERGY

As we reflect on the past year, our focus at AgState Energy has been to continuously drive costs out of doing business by leveraging technology and improving processes. This commitment allows us to deliver exceptional value while maintaining our core values of Respect, Integrity, Safety, and Excellence.

One of the key improvements we've implemented is the use of advanced monitors on our scheduled delivery customers. These monitors enable us to optimize labor and truck usage, making every mile driven more efficient. By refining our delivery routes and reducing unnecessary trips, we have been able to decrease expenses and increase productivity—ultimately benefiting both our operations and customers.

In addition to operational enhancements, we've introduced new cardtrol technology aimed at protecting our patrons from the growing threat of credit card fraud. This technology upgrade enhances security at our fuel stations, ensuring that your personal and financial information remains safe every

time you do business with us. We're also excited to announce the addition of our new Marcus cardtrol site, demonstrating our continued investment in the local communities we proudly serve. By investing in essential assets like this, we are reinforcing our long-term commitment to providing reliable services where they are needed most.

Our dedication to staying at the forefront of industry standards extends to our fleet as well. This year, we continued to invest in propane and fuel delivery units, ensuring that our team remains equipped with the latest tools to operate efficiently and safely. Looking ahead, we're focusing on further investment in customer-facing technology that will make doing business with AgState Energy even easier. Our goal is to simplify your experience while providing the same high level of service you've come to expect. Thank you for trusting AgState as your energy partner. We're honored to serve you and will continue to seek out new ways to improve our operations and meet your needs. Here's to another year of partnership, innovation, and growth!

BY THE NUMBERS

1,850 »» Propane Monitors

1,200 »» Fewer stops during 6 month heating season

Marty Lau - VP of Energy



Our goal is to simplify your experience while providing the same high level of service you've come to expect.





Innovative Risk Management Solutions For a Fluctuating Market Place

A MESSAGE FROM OUR VP OF GRAIN

Fiscal year 2024 was a successful year for AgState's grain business. This success is grounded in the safe, reliable execution by our operations teams in handling harvest bushels and ensuring efficient loading for transport to a destination market. Their commitment to safety in every aspect of their work allowed us to deliver on our promises, whether the market signaled us to store and hold grain or to swiftly ship it to market.

Market fluctuations and nimbleness in responding to its demands enabled us to make the most of the opportunities it presented. Credit goes to the entire team for their timely execution, which allowed us to ship AgState grain shuttles to a variety of corn and soybean destinations, both domestically and internationally, including the U.S. and Mexico. AgState's

extensive grain asset footprint enables us to access diverse markets, creating significant, distinguishable value for our members.

In addition to our physical assets, our team of talented grain merchandisers and originators is a true asset to AgState and its members. With over 100 years of combined service at AgState, their experience and dedication exemplify our respect for our members and their businesses. This team consistently provides exceptional customer service and innovative risk management solutions. Fiscal year 2024 saw significant growth in bushels contracted through one of AgState's specialty contract offerings, thanks to our team's proactive approach in identifying solutions tailored to our members' unique needs and the challenges they face in the marketplace.

If you have not yet connected with an AgState grain originator to discuss risk management solutions, we encourage you to reach out and explore how our team can support your operation.

Aaron Meyerle, VP of Grain

BY THE NUMBERS

100+ YEARS

COMBINED EXPERIENCE

The AgState Grain Merchandising & Origination team has over a combined 100 years of service with AgState, providing exceptional service and risk management solutions to our members!





Continuous Improvement Drives Success with AgState's Feed Department

A MESSAGE FROM THE VP OF FEED

In today's competitive landscape, continuous improvement is essential for success. We reviewed several areas of our operations and strategically invested capital to drive improved results. This targeted investment has not only enhanced our efficiency but also positioned us to achieve better outcomes across the board. By focusing on key improvements, we are committed to delivering greater value and performance for our stakeholders.

Our most impactful improvement was the batching system changeover at our Ellsworth location. The Ellsworth Automation Upgrade represents a significant leap forward in our commitment to quality improvements throughout the feed system. This upgrade helps reduce shrink and increase the efficiency of the mill, resulting in enhanced productivity and

cost-effectiveness. Additionally, it fosters better transparency in operations, allowing for real-time monitoring and adjustments that improve decision-making. By prioritizing these advancements, we are not only streamlining our processes but also ensuring that we consistently meet the high standards expected by our customers.

Our vision for the feed business unit emphasizes reliability and innovation, ensuring that we meet and exceed the evolving needs of our customers. Over the past year, we have continued to focus on growth, successfully adding 100,000 tons of volume. To further enhance our operations, we have centralized several processes, which drives efficiency and creates consistency across the board. This strategic approach not only strengthens our production capabilities but also positions us to respond swiftly to market demands, reinforcing our commitment to delivering exceptional service and quality.

BY THE NUMBERS

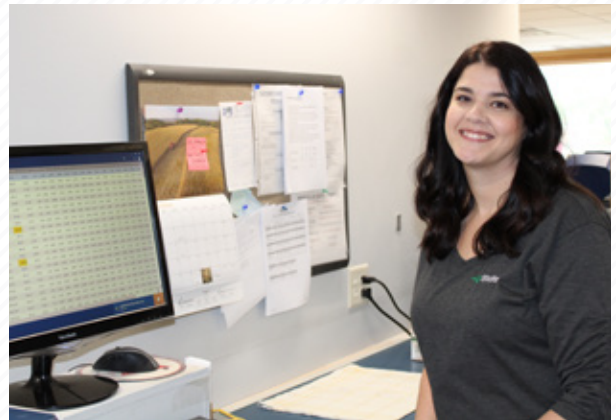
1.35m >>> **Tons Delivered**

54,000 >>> **Semi Loads**

3.7m >>> **Miles Driven**

Scott Lovin, VP of Feed

Our vision for the feed business unit emphasizes reliability and innovation, ensuring that we meet and exceed the evolving needs of our customers.





FY24 Accomplishments and FY25 Goals for the Human Resources Team

A MESSAGE FROM OUR VP OF HUMAN RESOURCES

One of the major accomplishments of Fiscal Year 2024 was hosting H2A Visa workers from South Africa. Through the collaborative efforts of the Human Resources Team, Location Leaders, and others, we successfully met the program's rigorous requirements and welcomed 18 hardworking individuals to the AgState team to help service our customers' needs. This new program allowed AgState to further invest in training and development for our local employees, particularly through initiatives like the Agronomy Sales Associate and Operations Management Associate programs. These programs aim to attract high-potential individuals who may not yet have the experience needed for roles such as Agronomy Sales, InSiteCDM Account Manager, or Supervisory positions.

In addition to these efforts, AgState continued to invest in in-house employee development through programs like Leadership Exploration And Development (LEAD) and Elevate – Management Acceleration Training. These programs are designed to enhance the talent, leadership capabilities, and continuous improvement efforts within AgState. As a result, AgState has achieved higher-than-average employee tenure and lower-than-average turnover rates, which benefit our customers by providing consistent, knowledgeable service from experienced employees.

We also implemented new technology to improve our talent management processes, such as electronic performance and compensation management systems. These tools help ensure that leaders are engaging in effective coaching conversations and providing meaningful rewards to our top talent.

Looking ahead to Fiscal Year 2025, Human Resources will focus on further developing key talent and refining the tools and knowledge available to our teams. We plan to slightly expand the H2A program, welcoming back many of our existing workers for a second year and introducing new members to the team. We are also excited to launch a new employee benefit that will demonstrate our commitment to serving local communities and to introduce AgState's first formal mentorship program. This initiative will enable tenured staff to coach and mentor those seeking further development, fostering a culture of continuous learning and employee well-being at AgState.

BY THE NUMBERS

27 >>> *Internal promotions in the last 18 months = 7%*

7.97 >>> *Average Tenure or Length of Service*

Elissa Barrick

Elissa Barrick, VP of HR



“ Human Resources will focus on further developing key talent and refining the tools and knowledge available to our teams. ”



Community Involvement

AgState is a proud supporter of our local communities by participating in community events, donating time and resources, as well as providing monetary donations. We recognize that charitable giving builds a sense of purpose, strengthens community connections and builds morale for customers and employees. We are proud to support youth ag education, scholarships, 4-H & FFA programming, fire, EMT and police departments and other local passion projects.

FY24 PROJECT HIGHLIGHTS

AGSTATE SCHOLARSHIP PROGRAM

\$28,000 donation

ALBERT CITY FIRE DEPARTMENT

\$15,000 donation

IOWA STATE UNIVERSITY FEEDMILL

\$10,000 donation

SIOUX CENTRAL FFA GREEN HOUSE

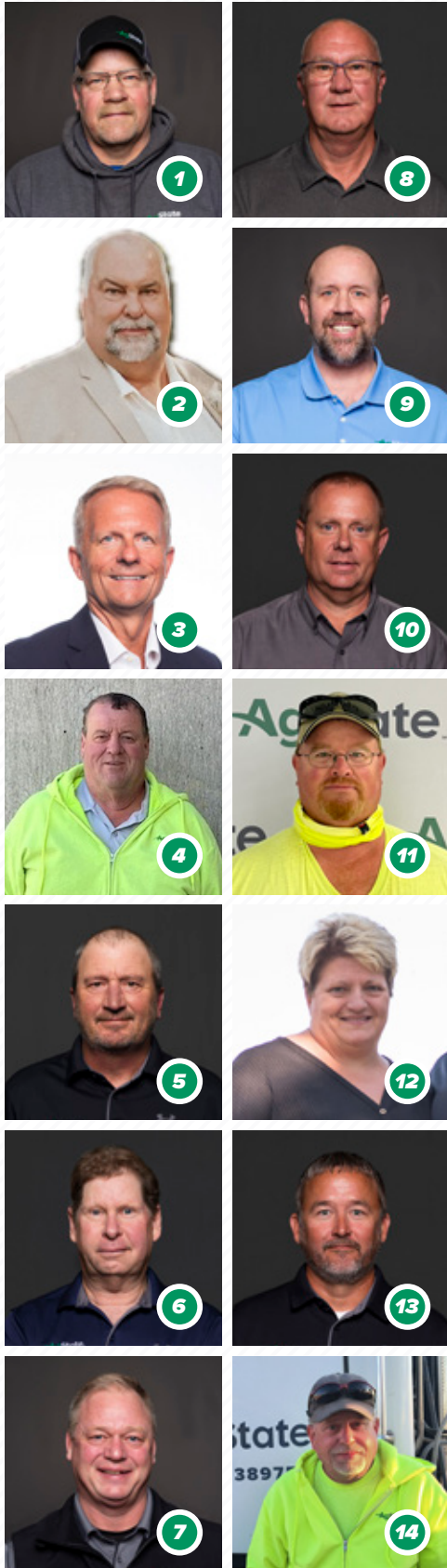
\$7,500 donation

POCAHONTAS COUNTY FAIR

\$4,500 donation

AURELIA FIRE DEPARTMENT

\$3,000 donation



FY24 Service Milestones

Congratulations to these AgState Employees who are celebrating a 5 year incremental milestone!

20+ YEARS

- | | |
|------------------------------------|--|
| 1 MILLER, TERRY
45 years | 8 KRULL, RICK
30 years |
| 2 DE JONG, DAN
35 years | 9 HUITINK, DARREN
25 years |
| 3 LOVIN, SCOTT
35 years | 10 JACOBSON, TRAVIS
25 years |
| 4 WAGGONER, DAN
35 years | 11 SCHWARZ, LEO
20 years |
| 5 TOTTEN, JIM
35 years | 12 SNYDER, NANCY
20 years |
| 6 ABBAS, JERRY
30 years | 13 NIELSEN, ADAM
20 years |
| 7 TAUBER, JAMIE
30 years | 14 CARLSEN, BRAD
20 years |

15 YEARS

Rake, John
 Van Meeteren, Michael James
 Lovin, Lucas
 Hinnens, Marc
 Jones, Justin
 Uittenbogaard, Marlin

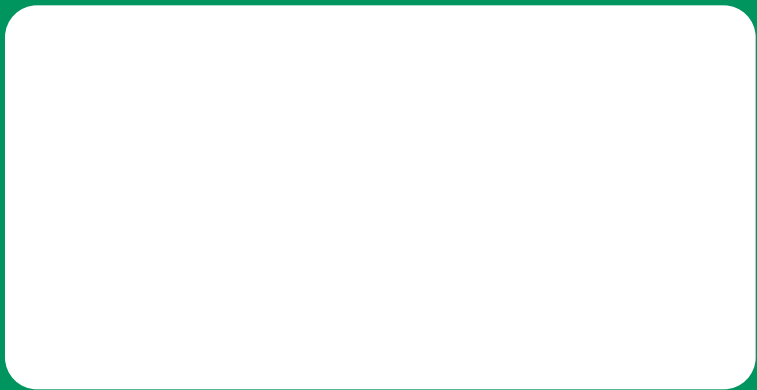
10 YEARS

Johnson, Aaron
 Miller, Nicholas
 Kreutz, Vincent
 Huff, Jason
 Haberman, Curtis
 Carlson, Robert
 Forbes, Bruce

5 YEARS

Pillars, Brent
 Tracy, Matthew
 Rohwer, Joseph
 Haberl, Aubree
 McLaury, Abigail
 Mai, Patrick
 Elbert, Garrett
 Joens, Katelyn
 Carlson, Nicholas
 Cowell, Thomas
 Frerk, Tony
 Bruening, John
 Iwen, Derek
 Larson, Clinton
 Jordan, Eric
 Hurlburt, Jonathan
 Gronwoldt, Virgil
 Mathers, Rachel
 Muller, Dominick
 Jacobson, Jason
 Nepple, Brian
 Erickson, Kent

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