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MICHIGAN SUGAR COMPANY • WINTER-SPRING 2020 • VOLUME 34, ISSUE 1

ON THE COVER, clockwise from top left

EXTRACTION Michigan Sugar Company Vice President of Operations Jason Lowry holds a handful of cossettes at the company's factory in Croswell. **SALES** Michigan Sugar Company Vice President of Sales and Marketing Pedro Figueroa stands between two pallets of 10-pound bags of Pioneer Sugar. **SUGAR CONTENT** Jeff Parr and Jay Parr of JLJ Parr Farms, and Brian Groulx, Michigan Sugar Company Research Manager. **VOLUME** Sugarbeets are piled at Michigan Sugar Company's piling grounds in Blumfield Township.

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***NEWSBEET**

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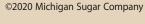
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ROOT OF THE BUSINESS

By Mark Flegenheimer, President and CEO

IT'S PRETTY SIMPLE: MORE SUGAR, MORE MONEY

This edition of *The Newsbeet* looks at the major drivers of our business. While growing and processing sugarbeets is very complex, the "drivers" of our business are very straightforward — sugar production and sugar price. On page 12, we examine what can be done during seed selection to increase the amount of sugar each acre produces. Also, Jason Lowry, our Vice President of Operations, reviews steps that can be taken in the factories to extract more sugar. Simply put, if the cooperative can produce more sugar the returns to shareholders will be higher. More sugar, more money.

Our new "cents-per-pound" payment program also drives home the importance of increased sugar production. If a grower can increase the amount of sugar produced on their farm, they will receive a higher payment. If you are interested in learning more about the new payment system, check out the video on the members-only section of our website and see the article on page 24 A grower delivering a crop with recoverable white sugar per ton (RWST) of 300 pounds vs. another grower

delivering a crop with RWST of 250 pounds will receive 20% more for their beets. More sugar, more money.

The other key driver of our business is the price of sugar. Price is impacted by three main factors:

- · USDA and the Farm Bill
- Weather
- Product Mix

Our Political Action Committee allows us to tell our story to members of Congress in Washington, D.C., so policies are put in place to support our industry.

Weather is not something we can control, but it has a major impact on prices. This year, growing regions in the Rocky Mountains and Red River Valley suffered massive losses and prices have spiked. In Michigan, growers have made significant investments to reduce the impact and risk of adverse weather through increased field tiling and state-of-the-art

planting and harvesting equipment. This past harvest, we saw the benefits of these major investments as growers were able to harvest beets in fields that we would have considered unharvestable just a few years ago.

fields through the factories, we will be able to provide

returns to our shareholders that make sugarbeets

the crop of choice in our growing region.

Improving our product mix is an area we have focused on during the last decade. Increasing packaging capacity of our high-value products has paid nice dividends over the years. As we look to further increase volume in that sector, you can find a story on page 22 regarding this strategy and our new packaging design for Pioneer brand sugar.

More sugar, more money. The drivers of our business are very basic — if we can make more sugar each step of the way from the fields through the factories, we will be able to provide returns to our shareholders that make sugarbeets the crop of choice in our growing region.





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FOCUSING ON OUR 30/300 VISION IN 2020

By James Ruhlman, Executive Vice President

As time passes, the more convinced I become that sticking to core strategies and focusing on fundamentals, allows for more fulfilling and productive results.

All too often, we try to take on everything that comes at us and we lose sight of what's really important to our overall mission. So when it comes to a strategy like 30/300 (30 tons per acre and recoverable white sugar per ton of 300 pounds) or creating a better harvest experience, it allows for focus. It creates a lane of concentration and allows for a discipline of actions to be taken. Over the next several months we will be wrapping action plans around these objectives. Through interactions with growers and ag staff, we will look at everything from seed potential and agronomy practices to field locations and weather trends that consistently affect crop production.

The plan for 30/300 will start with the "today" and look at what the "tomorrow" might look like. Coming off of crops that have been severely pressured by weather and disease over the past several years, this strategy can seem a bit far reaching. On the other hand, when you look at our motivated and progressive grower base and combine that with the research and agronomy talent that we have on our ag staff, the goal seems realistic. Fundamental to the success of 30/300 will

be seed availability with traits needed to thrive in what seems to be a changed environment in Michigan and Ontario. It's thrilling to look at the horizon and see the sugarbeet crop potential in our cooperative when you consider the seed that is coming our way from our partners in the seed business; especially, when you have talent and commitment to nurture the crop.

As the agronomy/research staff focuses on 30/300, our ag operations staff will study "The Harvest Experience." We all know the challenges of securing both human capital and equipment for sugarbeet harvest. Couple that with weather trends that can make the harvest window extremely short, and you have a recipe for a challenging harvest season. The goal of this mission is to take a broad look at all harvest resources and consider the on-farm and piling ground opportunities. Harvest has become a race against time and we need to find a way where taking a crop off can become more efficient.

As we look at the role of our shareholders relations group, our focus is on "connecting." We talk about "communicating" all the time, but the real goal is to connect. Our Young Farmers Group continues to thrive with more participants and more face-to-face interaction. Our Youth Program is getting stronger as we tailor the activities around both

Through interactions with growers and Ag staff, we will look at everything from seed potential, agronomy practices, field locations and weather trends that consistently affect crop production.

learning, getting to know each other. Vehicles like our Growing Better Together newsletter and our Grounded podcast will continue to evolve as we try to put a more "personal" touch on the way we interact with our shareholders. There are several other plans in the works that will be rolled out very soon that will allow for more personal interaction with our shareholders.

Our vision for 2020 seems clear; stick to the 30/300 strategy, create a better harvest experience, and find ways to better connect and build relationships. It seems simple when it's put on paper, but it will take patience, understanding, and focus as we move forward.



A Peek at State, National & International Political Issues

By John Boothroyd, Manager of Government Relations

A LOOK AT LANSING

BUDGET STANDOFF, FIXING THE ROADS, BEET JUICE LEGISLATION Last year started with a bang and ended with a whimper at the State Capitol. In the beginning, newly minted Gov. Gretchen Whitmer proposed a 45-cent gas tax increase that would have raised the \$2 billion per year she said was necessary to fulfill her campaign promise to "fix the damn roads." The proposal was opposed by the majority of the state legislature that led to a stalemate over the budget. After a series of line-item vetoes by the governor, and supplemental budget bills by the legislature, the road issue was quietly punted to 2020. Unfortunately, the standoff between the governor and state lawmakers prevented them from taking action on a number of issues. This included legislation introduced by both state Rep. Brian Elder, D-Bay City, and state Sen. Roger Victory, R-Hudsonville, to direct the Michigan Department of Transportation to conduct a study on the use of beet molasses products as road deicers. This legislation could be extremely beneficial to Michigan Sugar Company and the state's infrastructure, road budget and water quality. Getting this, or similar legislation, passed is a priority this year.



WHAT'S UP IN WASHINGTON, D.C.

TRADE WITH MEXICO, USMCA BIPARTISAN APPROVAL, ASGA MEETINGS The sugar industry received a shock in October when the U.S. Court of International Trade vacated the 2017 suspension agreement with Mexico. In spite of the fact that both U.S. and Mexican sugar producers almost unanimously supported the agreement, the court vacated it due to a technical issue (the Department of Commerce (DOC) failed to properly document all of its suspension agreement-related meetings). Fortunately, the U.S. and Mexico were quickly able create a new agreement, effectively identical to the one from 2017, and it was finalized earlier this year.

In other news, Congress finally approved the long-delayed replacement to the North American Free Trade Agreement (USMCA). Approval got bogged down due to Democrat concerns about enforcement measures on labor and environmental provisions. Following months of negotiations, the House and Senate both approved the new agreement with large bipartisan majorities.

This winter, representatives of Michigan Sugar Company plan to take part in the American Sugarbeet Growers Association (ASGA) annual fly-in. Dozens of meetings with members of Congress from our growing region and around the country are scheduled to take place. These meetings are integral to ensuring Congressional support for the domestic sugar industry as Congress prepares to start writing the 2023 Farm Bill. With opponents of the sugar program continuing to actively spread false information in an attempt to demonize our industry, these meetings are of the utmost importance.



ABOVE Rep. Brian Elder, D-Bay City, and state Sen. Roger Victory, R-Hudsonville, introduced legislation in 2019 to direct the Michigan Department of Transportation to conduct a study on the use of beet molasses products as road deicers.

FOREIGN TRADE ZONE

Michigan Sugar Company is continuing its efforts to gain approval to produce wet blended syrups at our foreign trade zone located in Toledo, Ohio. The application for production authority was submitted in September and was followed by a 90-day public comment period. Thanks to our robust political presence, we were able to garner a significant amount of public support from federal, state and local elected officials, as well as trade organizations. The application received letters of support from 11 members of Congress from Michigan, nine members of Congress from Ohio, all four senators from both states, the governor and lieutenant governor of Ohio, members of the Ohio House of Representatives and Senate, the mayor of Toledo, the ASGA, the U.S. Beet Sugar Association and the Sweetener Users Association. Without our cooperative's dedication to political outreach, such a fantastic result would never have been possible. Now that the public comment period is over, the DOC is reviewing our application and is expected to make a decision sometime this year. Since approval of the application will create more than 100 jobs and add significant value to our cooperative, with no potentially negative consequences, we are hopeful DOC officials will come to a favorable decision.



John Boothroyd is Michigan Sugar Company's Manager of Government Relations. He joined the company in 2018 after working four years for U.S. Rep. John Moolenaar.





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TAX AND RETIREMENT PLAN CHANGES IMPACTING GROWERS

By James Gerding, CPA, CGMA, Principal, Rehmann

There are some changes impacting farmers in the Consolidated Appropriations Act of 2020 (the Act) including extenders and retirement plan funding and distribution reform.

The "extenders" are those business and individual taxpayer-friendly provisions that are not a permanent part of the law but historically were extended for varying periods. Although some were made permanent others expired after the 2017 tax year. The Act revived almost all the expired provisions retroactive for 2018 and generally extended them through the end of 2020 (in some cases 2022).

Some of the extenders applicable to growers include the biodiesel and renewable diesel credit, the alternative fuel refueling property credit, the alternative fuels excise tax credit and the work opportunity tax credit. Generally, taxpayers affected by retroactive extensions should file amended returns. However, the IRS has provided a process for eligible taxpayers to make a one-time claim for the credits and payments for biodiesel (including renewable diesel) mixtures and alternative fuel sold or used during calendar years 2018 and 2019.

The \$1.4 trillion spending package included the Setting Every Community Up for Retirement Enhancement (SECURE) Act which represents the most sweeping set of changes to retirement legislation in more than a decade.

ON THE PLUS SIDE FOR FARMERS, THE SECURE ACT:

- Allows individuals to contribute to traditional IRAs beyond age 70 ½.
- Retirees will no longer have to take required minimum distributions (RMDs) from traditional IRAs and retirement plans by April 1 following the year in which they turn 70 ½; now RMDs begin by April 1 following the year in which they turn 72.
- Individuals can now take penalty free early withdrawals of up to \$5,000 from their qualified plans and IRAs due to the birth or adoption of a child (regular income taxes still apply).
- Taxpayers with high medical bills may be able to deduct unreimbursed expense that exceed 7.5% of their adjusted gross income; in addition, individuals may withdraw money from their qualified retirement plans and IRAs penalty free to cover expenses that exceed this threshold (regular income taxes will apply).
- 529 education account assets can now be used to pay for student loan repayments (\$10,000 lifetime maximum) and costs associated with registered apprenticeships.

Another change that may require your attention is the Act's elimination of longstanding provisions allowing non-spouse beneficiaries who inherit traditional IRA assets to spread distributions, and therefore the tax obligations associat-

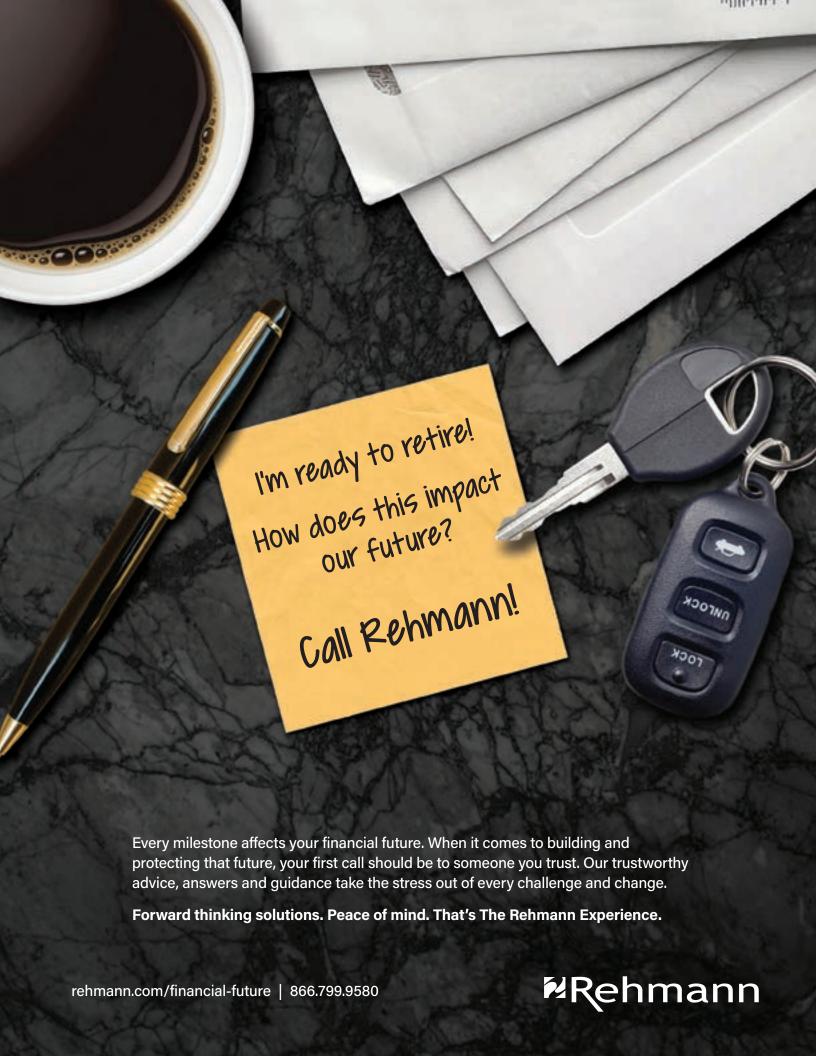
ed with them, over their lifetimes. The new law generally shortens the distribution period to 10 years. In addition to possibly re-evaluating beneficiary choices, traditional IRA owners may want to revisit how IRA dollars fit into their overall estate planning strategy. For example, it may make sense to consider the possible implications of converting traditional IRA funds to Roth IRAs, which can be inherited income tax free. Although Roth IRA conversions are taxable events, investors who spread out a series of conversions over the next several years may benefit from the lower income tax rates that are set to expire in 2026.

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James Gerding, CPA, CGMA, Principal is a trusted advisor to hundreds of clients. Developing innovative strategies and planning opportunities to maximize their investments, he has significant experience in a wide range of industries including agribusiness, manufacturing, transportation, retail, wholesale, technology and real estate.





Variety Selection is Key Driver for Profitability and Sugar Yield Seed companies focusing on addressing leafspot,

Rhizoctonia and nematodes

By Corey Guza, Ph.D., Director of Agronomy

Variety selection is one of the first things growers focus on when planning for the next crop. Once a variety is selected, it often drives grower activities throughout the growing season. Typically, growers are looking for varieties that stave off three enemies of healthy sugarbeets: leafspot, Rhizoctonia and nematodes. Of course, growers also want a variety that produces the best yield — both high recoverable white sugar per acre (RWSA) and recoverable white sugar per ton (RWST). If disease is an issue, yield goals oftentimes cannot be met.

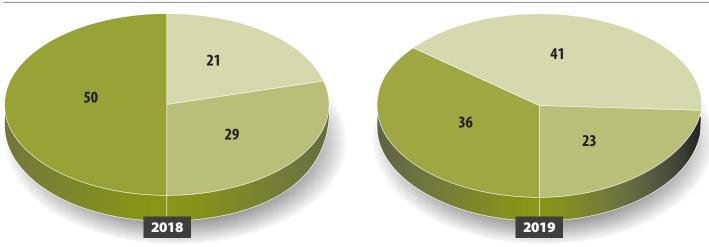
New for the 2020 growing season are a number of great varieties with a high tolerance to leafspot. Cercospora and Alternaria leafspot have caused a considerable amount of yield and income loss for Michigan Sugar Company grower-owners. Unfortunately the damage from leafspot has a compounding effect on grower profitability. Growers can have a yield loss on their individual farms and while that is bad enough, if many growers have losses from leafspot, the entire company can be affected. Sugarbeet storage can be impacted as sugarbeets with high leafspot levels can be difficult to top and those tops cause rot in piles. Lost tonnage and sugar content hurts factory efficiency and sugar production. Without sufficient and efficient sugar production, sugar sales projections may not be met, hurting overall company profitability and the beet payment. This is an important reason why leafspot tolerance is a vital trait when selecting a variety. Growers recognized this and began purchasing a greater percentage of high leafspot tolerant varieties starting in 2019 (Figure 1).

Growers in the past were not as interested in varieties with strong leafspot tolerance because they often were not very high yielding. This is no longer the case. New varieties have both strong leafspot tolerance and good RWSA and RWST. In fact, the new variety with the highest level of leafspot tolerance, HIL 9908, also has the highest RWST (Table 1). Protecting yield is

as important as achieving it. It is very important to match spray plan and variety to achieve success (Figure 2).

Opportunities to purchase seed with good yield and disease tolerance is not something that happened by accident. The Michigan Sugar Company Seed Committee is made up of representatives from Sugarbeet Advancement, growers and member of the Michigan Sugar Research and Agronomy Team. This group has worked closely over the years to influence our seed company partners to produce seed that fits in our growing region. The seed committee also has made decisions that allowed our growers to take advantage of new traits like nematode tolerance and Roundup Ready technology. While the Seed Committee can take action quickly, seed companies generally prefer to take a measured approach to creating new varieties. Seed companies want and need long-term targets to hit when it comes to disease tolerance and yield. Unfortunately when something new is added, something else can be lost. It takes about seven years for a new variety to make it to market.

The Seed Committee updates its strategic plan every five years to reflect the mix of tons, sugar and disease tolerance needed to maximize productivity and profitability for Michigan Sugar Company and its growerowners. Increasing RWSA has always been the goal of the committee (Figure 3). The latest plan has been to increase RWSA by improving RWST



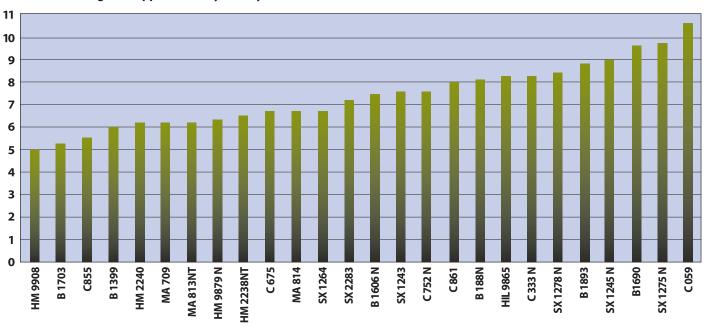
Growers planted more varieties with more leafspot tolerance (less risk of leafspot damage) in 2019 compared to 2018.

TABLE 1: New Leafspot Tolerant Varieties for 2020

TREATMENT	CLS/ALS ¹	CLS	ALS	RHIZOC ²	RWSA	RWST
HIL 9908	80	77	83	95	95	103
B 1703	81	90	72	99	105	100
C 855	86	87	84	86	103	99
MA 709	91	91	91	109	99	100
MA 813 NT	92	89	94	106	92	100
HIL 2240	92	90	94	117	100	101

Values are % of Check, lower is better for CLS, ALS and Rhizoc. Higher is better for RWSA and RWST.1) CLS= Cercospora leafspot, ALS= Alternaria leafspot; 2) RHIZOC= Rhizoctonia crown and root rot.

FIGURE 2: Fungicide Applications by Variety



Suggested number of fungicide applications by variety to achieve optimum leafspot control.





Variety Selection, continued from page 12

more so than improving tons per acre (Figure 4). This plan is in step with Michigan Sugar Company's strategy of "30/300," where the goal is to achieve a company average of 9,000 pounds of RWSA from the production of 30 tons of sugarbeets per acre and 300 pounds of RWST.

In addition to strong yield goals, the Seed Committee has set one of the lowest minimum Cercospora leafspot standards in the industry. This means varieties approved for planting in Michigan and Ontario have some of the highest disease tolerance. The committee relaxed the leafspot tolerance standards between 2010 and 2014 to allow seed companies to introduce higher yielding Roundup Ready and nematode tolerant seed into the market. The Seed Committee has since increased the amount of tolerance required for varieties on a consistent basis. The requirements for leafspot tolerance, for the years 2020 through 2024, are now some of strongest in history. The minimum approval requirements for leafspot are now below the pre-Roundup Ready standard, which means they have a very high tolerance to leafspot (Figure 5).

There is even more excitement in leafspot tolerance in the near future as KWS, the parent company of ACH Seeds and Betaseed, has introduced a new Cercospora leafspot event that appears to confirm very high leafspot tolerance. Adding to the excitement, this event also appears to allow for high sugarbeet yield. The new event could be a game-changer in terms of leaf disease management for the future. Michigan Sugar Company will be testing varieties with the new event on a large scale in 2020. Some varieties were entered in Michigan Sugar Company's Cercospora leafspot nurseries in 2019 and the lack of disease in the new varieties was quite positive. The new event entries had much less disease in the leafspot nurseries compared to the most tolerant variety currently for sale (Figure 6).

While yield and Cercospora leafspot remain the main criteria for variety approval, Rhizoctonia crown and root rot also require much consideration when selecting varieties for planting. Field history and how crops are being rotated are the main drivers for determining if a field requires planting using a variety with stronger Rhizoctonia tolerance. Soybeans generally

continued on page 17

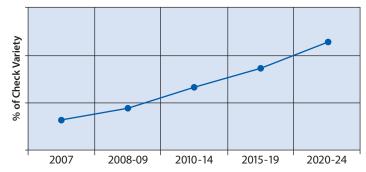
Figure 6 - Genetic Tolerance to Leafspot Cercospora Nursery / Fungicides were not applied





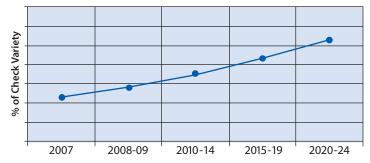
2015-19 2020-24

Figure 3 - RWSA Minimum Requirements **Increasing Minimum Yield Requirements Over Time**



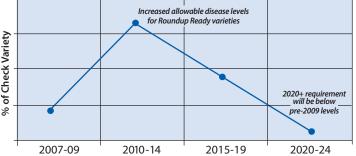
The MSC Seed Committee has continually increased the minimum yield requirements for varieties.

Figure 4 - RWST Minimum Requirements Increasing minimum sugar requirements over time



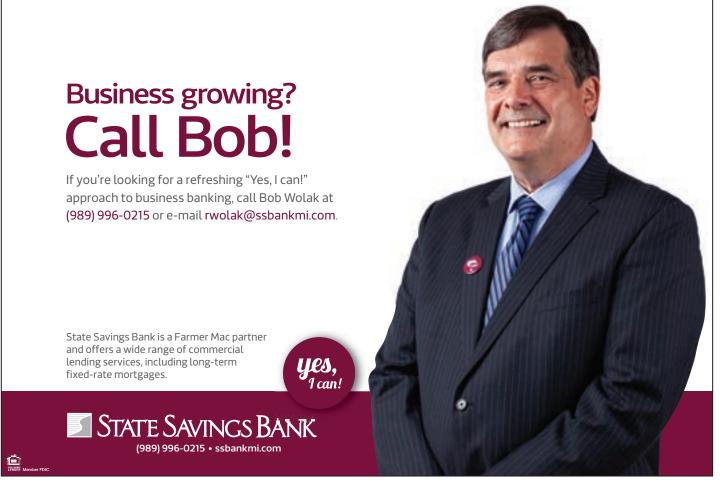
The MSC Seed Committee has continually increased the minimum Sugar requirements for varieties.

Figure 5 - Cercospora Maximum Allowed Changes in Cercospora tolerance over time



The MSC Seed Committee has allowed a higher disease level in varieties to allow growers to plant varieties with other needed traits.





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TABLE 2: Rhizoctonia Variety Rating 2020

VARIETY	RATING	VARIETY	RATING
C-G861	Good Plus	C-G855	Good Plus
HIL-9908	Good	C-RR059	Good
B-1690	Good	C-G675	Good
B-1399	Good		
B-188N	Fair Plus	B-1703	Fair Plus
C-G752NT	Fair Plus	B-1606N	Fair
B-1893	Fair	HIL-9865	Fair
C-G333NT	Fair		

have been the crop that provides the most concern when planted ahead of sugarbeets in the crop rotation. Soybeans host *Rhizoctonia solani* — the same Rhizoctonia species that attacks sugarbeets. This may be one of the reasons Michigan Sugar Company crop records indicate sugarbeets following soybeans is one of the lowest yielding crop rotations. Fields with Rhizoctonia crown rot history tend to continue to have issues in the future. Aside from crop rotation, other factors that influence Rhizoctionia incidence include drainage, soil compaction, lime application and soil health. Fortunately, seed companies have placed a strong effort in breeding for Rhizoctonia tolerance despite it not being a trait required for variety approval (Table 2).

Tolerance to nematodes is a third major consideration, especially for growers with a long history of sugarbeet production. Research shows nematodes are continuing to spread rapidly throughout the Michigan Sugar growing region. Growers typically discover nematodes in a field at times of drought stress. When fields are seen with uneven wilting, it is a good indicator that nematodes are present. Once found, growers need to switch

from conventional varieties to varieties with tolerance to nematodes. Since nematode tolerance is a relatively new trait introduced by the seed companies and is not something every growing region needs, getting other traits like leafspot and Rhizoctonia tolerance in a nematode variety can be slow. Fortunately, nematode tolerant varieties tend to yield well but need to be managed aggressively to avoid yield loss from disease. Seed companies recognize the need for better nematode varieties and are focused on improving the disease tolerance of nematode varieties for the future.

In general, variety improvement has been one of the most important drivers to Michigan Sugar Company and grower-owner profitability. New varieties, both now and in the future show strong promise for increased yield and leafspot tolerance (Figure 7). Michigan Sugar Company's Seed Committee will continue to explore opportunities related to making the best varieties available to growers. This will help seed companies know where to focus their effort for the future. The result of this effort will be great seed choices for years to come.

Figure 7 - Compare Older vs. Newer Varieties RWST Leafspot 104 102 100 98 96 94 92 90 88 86 **Older Than 3 Years** 2 Years **1st Year Varieties on Approval Track**

Higher value is better for RWST, RWSA; lower value is better for leafspot. Values are averages of the varieties from the OVT trials in each age range.









Farming in his DNA: 'There was never any doubt what I wanted to do'

By Rob Clark, Director of Communications and Community Relations

MEET NEW MICHIGAN SUGAR COMPANY DIRECTOR DEAN HAUBENSTRICKER

FRANKENMUTH, MICHIGAN – As a young boy at St. Lorenz Lutheran School in Frankenmuth, Dean Haubenstricker remembers looking out the window of his classroom onto a 10-acre field being harvested by his father. It was almost more than he could stand and that feeling of wanting to be outside farming continued in high school.

"I was the one looking out the window wondering why I was in here," said Haubenstricker, 57. "There was never any doubt what I wanted to do."

What he wanted to do was become the fifth generation of his family to farm. Today, Haubenstricker and his family run M. Dean Haubenstricker Farms, a 2,300-acre operation specializing in sugarbeets, corn, soybeans and dry beans. The family also grows wheat and rye from time to time.

Haubenstricker was elected to serve a four-year term on Michigan Sugar Company's Board of Directors during the cooperative's Annual Meeting held Jan. 9 at Saginaw Valley State University. He represents the co-op's West Distirct.

Here is some additional information to help you get better acquainted:

Family

18

Dean and his wife Donna were married in 1997 at St. Lorenz Church in Frankenmuth. They have three children – Joshua, 21; Samuel 16; and Simon, 14. Joshua is the sixth generation of the family to farm and Samuel and Simon are students at Frankenmuth High School.

From Germany to Saginaw County

Dean's great-great-grandparents Theodore and Margaretha immigrated to the United States from Germany and were the first of the Haubenstricker family to farm in Saginaw County. Dean's greatgrandparents Johann and Anna continued the farming tradition and his grandparents Ernst and Hilda started the farm near Frankenmuth in 1940 that was passed onto his parents Maynard and Dora.

Mavnaro

Dean goes by his middle name. His first name is actually Maynard (thus M. Dean Haubenstricker Farms). He is named after his father whose first sugarbeet crop was grown in 1958. Dean says from the time he was a little boy, he never wanted to be far from his father's side, especially if he was working on the farm (see photo top left).

First Beet Crop

In 1983, Dean attended a Michigan Sugar breakfast meeting with his father and won a 10-pound bag of sugarbeet seed that morning as a door prize. "On the way home, dad said, 'Well, I guess it's time you had your own beet contract,' "Dean remembers. "It was size 2 seed with a value of about \$140. I planted 14 acres and harvested about 24 tons per acre which was pretty good in 1983."

Board Experience

Before being elected to serve on the Co-op Board, Dean served 12 years on Michigan Sugar's West District Board, including four years as President. Before that, he also served on the former Carrollton Growers Board. He served on the Saginaw County Farm Bureau Board of Directors from 1989 to 2002, including one year as President, and was re-elected to that board in 2018. Dean also serves on the Frankenmuth Township Planning Commission, having been appointed in 1994. He has been Chairman of that group since 1997.

Sugarbeets

Today, Dean's family grows about 500 acres of sugarbeets, a crop he says "has always interested me the most." He also said sugarbeets are the most important crop he grows. "They have done the most for moving our farm forward." Beginning in 1995, before the merger of Michigan Sugar Company and Monitor Sugar Company in 2004, Dean also grew a field of beets each year for Monitor Sugar.

Hobbies

Dean enjoys crossword and Sudoku puzzles and also is an avid bowler, competing in a league every Thursday night at Rocket Bowling Bar & Grill in Reese. He said he's still looking for that first 300 game. "I told the guys, if I ever bowl a 300 game, I'll retire from bowling," he joked.



Dean and Donna Haubenstricker with their children, from left, Samuel, Joshua and Simon.

Sugarbeet industry: 'It is my whole game'

By Rob Clark, Director of Communications and Community Relations

MEET NEW MICHIGAN SUGAR COMPANY DIRECTOR MIKE LEEN



CARSONVILLE, MICHIGAN – Mike Leen only grows between 40 and 50 acres of sugarbeets each year. But make no mistake; the crop is his entire livelihood.

"I owe a lot to the sugarbeet industry," says Leen, who operates Leen Farms, a 280-acre operation with small acreages of sugarbeets, corn, soybeans, wheat and hay, located in the small Sanilac County village of Carsonville. "It is my whole game."

That's true. Since 2012, Leen has worked as an Independent Sales Agent for American Crystal Hybrids, selling and delivering sugarbeet seeds to farmers throughout Michigan Sugar Company's growing region. Before that, he worked for 13 years as an agriculturalist (field consultant) for Michigan Sugar Company, serving growers in the Croswell area.

"Sugarbeets were around when I was a kid and our neighbors grew them," said Leen, 52. "I just fell in love with the sugarbeet crop."

Leen was elected to serve a four-year term on Michigan Sugar Company's Board of Directors during the cooperative's Annual Meeting held Jan. 9 at Saginaw Valley State University. He represents the co-op's East District.

Here is some additional information to help you get better acquainted:

Family

Mike and his wife Julie are parents to four children — Matthew, 18; Hannah, 16; Nicholas, 14; and Jacob, 5.

Matthew works at Twin Ash Farms

Organic Processing LLC in Snover, Hannah is a junior at Sandusky High School, Nicholas is in eighth grade at Sandusky Junior High School and Jacob is in kindergarten at Sandusky Elementary School.

From Ireland to Sanilac County

Irish pride runs deep in the Leen family. Mike's grandfather, John Leen, was a member of the Irish Republican Army fighting for freedom from British rule in the early 20th Century. He made his way to North America on a cattle boat and ended up in Saskatchewan working on a farm. He came to the United States thanks to a woman from Port Austin who would write letters guaranteeing immigrants employment on her dairy farm. As it turned out, she was related to John's future daughter-in-law. John ended up in Detroit working for the Grand Trunk Western Railroad. He later married a woman named Hannah who had lived only a quarter mile away in Ireland and immigrated to America through Ellis Island.

Genesis of the Farm

Mike's parents Mike and Ruth Leen started their family farm in 1952 in Carsonville. They grew crops and raised hogs as part of a modest operation. The senior Mike Leen was an educator, working as a sixth-grade teacher at Carsonville-Port Sanilac Elementary School. Ruth Leen was a Registered Nurse before becoming a stay-at-home mom to the couple's seven children — John, Julie, Mike, Mary, Ann, Jim and Tom — who have

a combined 21 children of their own. Ruth Leen still lives in the home where her children were raised. Out in the barn, the junior Mike Leen still cares for a handful of hogs.

Education & Early Professional Experience

Mike graduated from Carsonville-Port Sanilac High School in 1985 and went on to earn his bachelor's degree in food system economics and management from Michigan State University in 1990. His first job out of college was working for Hamilton Produce, a farm in Hamilton, Mich., specializing in celery and cabbage. In 1992, he joined Hemlock Elevator, eventually working his way up to become a grain buyer for about four years before coming to work at Michigan Sugar Company.

Community Service

Mike is a member of Holy Family Parish in Sandusky where he has served on the Pastoral and Finance councils. He is a member of Knights of Columbus, a volunteer for the Sanilac County 4-H Fair and the Octagon Barn in Gagetown, and a supporter of the Sandusky Rescue Mission.

Hobbies

Mike enjoys hunting and gardening and learning about agriculture practices in other parts of the world. He has traveled to Ireland twice, including a visit with his great uncle who still was living in the house where Mike's grandfather, John Leen, was born.



Mike and Julie Leen with their children, from left, Nicholas, Matthew, Jacob and Hannah.



Rob Clark is Director of Communications and Community Relations for Michigan Sugar Company. He is a 1995 graduate of Knox College and worked for 22 years as a journalist before joining Michigan Sugar Company in 2018. He and his wife Claire have four sons.



Pulp, lime and molasses among ways sugar is lost inside factories Losses typically add up to between 13% and 22.5%

By Jason Lowry, Vice President of Operations



Michigan Sugar Company's shareholders work diligently each year to grow a high-quality, sugar-laden beet for processing in the factories. The potential sugar generated in the fields goes through several steps before we have sugar in the bag, and at each step in the process there are losses that detract from our sales and revenue. There are harvest losses that include beets and beet chips left in the field. There is loss of sugar in storage that depends on conditions and practices. Within the factory, there are three accounted losses and one unaccounted loss that impact the amount of sugar we can sell.

The first accounted loss is pulp loss, or the sugar exiting the process with beet pulp. We use counter-current diffusion to extract sugar, and this is optimized with clean water, retention time and temperature. Depending on the installed equipment, the pulp loss is expected between 0.35% and 0.5% of beet weight. With a sugar as sliced of 16.5% on beet, between 2% and 3% of the sugar present in the beets as they arrive at the factory is lost at this stage.

The second accounted loss is lime loss, or the sugar exiting the factory with lime mud. Following diffusion, we add calcium oxide to juice and through some chemistry and processing steps we marry it back up with carbon dioxide. When these come together, calcium carbonate crystals are created, and these crystals attract and retain most of the solids and several of the impurities in the sugar juice. Calcium carbonate mud is separated, washed and removed from the process in the first carb filtration step, using either rotary vacuum filters or pressure plate filters, depending on the factory. The loss of sugar at this step will be between 0.07% and 0.25% on beet weight, depending on the quality of the beets and the equipment and practices in use. With a sugar as sliced of 16.5% on beet, between 0.5% and 1.5% of the sugar in the beets as they leave storage is lost at this stage.

The third accounted loss is molasses loss, which is the sugar exiting the factory in the exhausted syrup, or molasses. Following carbonation, we evaporate the juice and go through a three-step crystallization process to

separate high-quality, white sugar. It is important to think of crystallization as exclusion of non-sugars (impurity) from the syrup as we make crystals of pure sugar. The impurities remain in the solution with less and less sugar as the sugar crystals are separated, slowing each stage down. Molasses loss is by far the largest accounted loss in the factory, generally ranging from 1.8% to 2.5% on beet weight. The molasses loss is directly tied to the incoming beet quality, as well as storage conditions, as many of the impurities in the beet and generated in storage exit the process as molasses. With a sugar as sliced of 16.5% on beet, between 10% and 15% of the sugar in the beets after storage is lost at this stage.

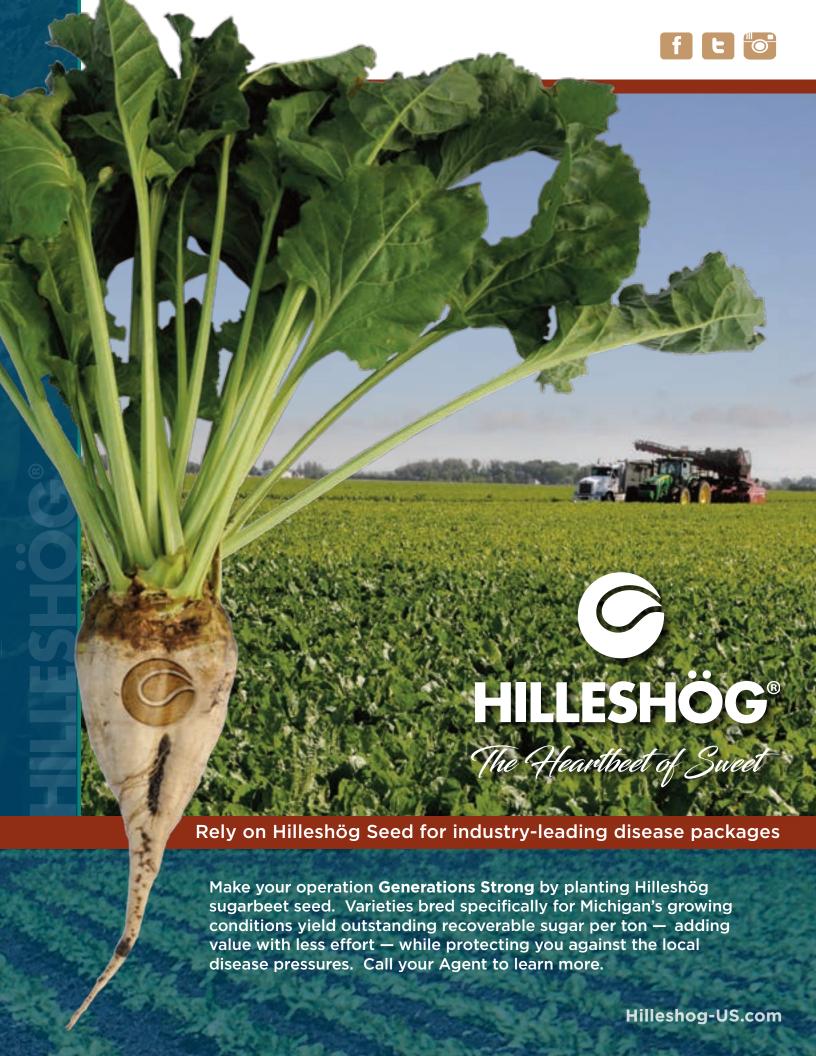
The final loss in the factory is unaccountable loss, which encompasses all other losses. If a tank overflows and the sugar escapes the process, this is loss that is not accounted for as pulp, lime or molasses loss. Similarly, process leaks, infections in the process, thermal degradation of sugar and many other small process losses will be quantified in the unaccountable. A well-designed and controlled factory will minimize the unaccountable loss, but it cannot be fully eliminated. An unaccountable loss of 0.1% to 0.5% is expected. As campaign length is extended, the unaccountable loss generally increases as well. With a sugar as sliced of 16.5% on beet, this loss should represent between 0.5% and 3% of the sugar as sliced, following storage.

Adding up the losses on sugar through the three accounted losses and the unaccountable, we can expect to lose between 13% and 22.5% of the sugar coming in with the beets. This equates to an extraction which on the low side might be 77.5% and on the high side 87%. The amount of impurities in the incoming beet and the effectiveness of our processing will determine where on this spectrum we end up.

These losses are largely fixed and dependent on the equipment we have, our processing parameters and the level of impurities present in the beets. Sugar content of the incoming beets does not affect the magnitude of the losses for the most part; therefore, as sugar content rises with a similar purity, the losses as a percentage of sugar go down. The impact of this is an increased extraction rate. For instance, a sugar content of 14.5% could result in an extraction between 75% and 84% given the same losses. If the incoming sugar jumps to 18.5%, the expected extraction will range between 79% and 88%. As you can see, more sugar equates to a higher extraction, pack, revenue and ultimately a higher return.



Jason Lowry is Michigan Sugar Company's Vice President of Operations. In this role Jason provides leadership and direction to the areas of Factory Operations, Engineering, Asset Management, Environmental Compliance, and Quality for the company. Jason joined Michigan Sugar in early 2019 and has worked in the global sugar industry in both beet and cane sugar milling and refining.





We welcome 2020 with value-added sales, new-

New Director of Sales and Marketing has background in grocery segment of food business

By Pedro L. Figueroa, Vice President of Sales and Marketing

As we begin the 2020 calendar year, our sales and marketing team is extremely excited about the opportunities the market has presented to improve on the financial results for our grower-owners, both during this fiscal year and beyond. December 2019 marked the end of our retail/grocery negotiation season. Through much effort, grit and armed with loads of market intelligence as leverage, our team successfully extended all retail contracts at strong premiums to the previous campaign. We are very much looking forward to sharing those results with our Co-op Board of Directors when we present the post-campaign sales forecast in March.



John Whaley, Director of Sales and Marketing

WHAT DRIVES US

From our sales and marketing team's perspective, the objective is crystal clear: our day-to-day, medium and long-term strategy is to continue developing channels and executing on value-added sales growth covering all components of our sugar sales portfolio. I can proudly say we are successfully executing on this plan, not only at the grocery/retail level, but also within our industrial, food service and wholesale club segments.

This past October, Michigan Sugar was pleased to bring on board John Whaley as our new Director of Sales and Marketing. John brings a solid background in the grocery segment of the food business, having worked with multiple food manufacturers in the Chicago market for close to 25 years. A Bay City native, John joins our cooperative with high expectations to further capitalize on our commitment to maximize value for our grower-owners, specifically within the grocery category. He already has begun developing strong relationships with our key buyers at Walmart, Aldi, Kroger and Meijer, among others, while also catering to growing players in the wholesale club category like Sam's Club, Costco, and new entrants into our geographical region like BJ Wholesale Club, which opened its first two Michigan clubs in December. The future looks very promising in both the grocery and wholesale club segments, thanks to the vision and investments made by our cooperative to focus on this very important segment of the sugar market that accounts for 30% of all sugar sales.

Another key project for our company this year will be the launch of our new Pioneer retail sugar bag this spring. Many hours have been invested into brainstorming, creative-thinking, data-analyzing and working with branding professionals to bring this new look to our sugar. We are confident this rebranding effort will pay dividends. Today's food shopper has much different tendencies and preferences compared to years past, and so we are looking to enhance the shopping experience with a fresh, innovative look at the supermarket shelf that highlights our sugar not only with a catchy look, but also focuses on our main storylines: "Michigan-made," "farm-to-table," "all natural," "Locally Grown. Locally Owned." and "Certified Vegan," which all are featured on our new grocery bags. We are hopeful you will share these new buzzwords with fellow grower-owners, friends and neighbors.

As we get ready for our rebrand launch, we also are working to spruce up our Pioneer Sugar Facebook page, launch a Pioneer Sugar Instagram account and reimagine our brand website at www.pioneersugar.com with updated content and engaging visuals. The site will include current content and tools needed in today's market to drive more customers to our partner-retailer stores. So, as you see the new Pioneer bags arrive at your local market, please tell your local store manager that you love the new look. It will not only help drive additional value-added volume toward our cooperative, but also further capitalize on better results to create additional returns (and improved beet payments) for all of our grower-owners going forward.

a focus on look Pioneer bags

A LOOK BACK...

From cloth sacks to paper bags, the Pioneer retail sugar bag look has been transformed throughout the years. Here is a look at just a few them.



the World Street by





Pedro L. Figueroa is Michigan Sugar Company's Vice President of Sales and Marketing. He joined the company in 2018 and has been active in commercial efforts within the North American sugar market for more than 25 years.

THE **BUSINESS** OF BEETS



Growers: Grab Your Beet Payment Statement and Watch Our New Educational Video

By Elizabeth Taylor, Ag Relations & Communications Manager

With the implementation of a new early delivery program and a new payment presentation for 2019, it was decided that an educational video about the process would be a great way to explain these changes and serve as a useful tool for our shareholders. We recommend sitting down with your own beet payment statement as you watch the video, which lasts approximately 10 minutes. Feel free to stop, rewind and re-watch the video as you go over your statement.

The video can be found on the member website on the Co-op documents page under the "Payment" section.

The video first explains how the new early delivery program works, and then walks through an example payment calculation, using a fictitious sugarbeet grower named "Mixed Sam." In the example, Sam delivered beets to his cooperative (a very small, 7-grower sugarbeet cooperative) both during early delivery and regular delivery.

The video uses a whiteboard-style to walk through Sam's early delivery production adjustments and then calculates his December beet payment. Through this simple example, we are able to show how the math of the new program and payment presentation works. The video also looks at the new layout of the payment statement and reviews how the presentation of it has changed.

We hope shareholders find this video useful, educational and easy to follow. We also hope it gives them a better understanding of the payment system that pays each grower for the pounds of sugar delivered, rather than tons of beets delivered. This change to pounds of sugar delivered will help focus growers on the importance of maximizing sugar production more so than tons.

More

How increasing RWST

By Brian Haraga, Chief Financial Officer

When we talk about the key drivers of the sugarbeet industry— especially those that most impact the beet payment to growers— we traditionally cast the spotlight in four areas: sugar content (recoverable white sugar per ton or RWST), volume (tons of beets), extraction and sales price. Of these, sugar content and volume, are the two areas where our grower-owners have the ability to influence the results through their agronomic practices and seed selection.

Table 1

Change in RWST (lbs.)	5
Acres	160,000
Yield (tons/acre)	27.5
Tons delivered	4,400,000
Shrink	7.5%
Tons sliced	4,070,000
Additional sugar (cwt.)	203,500
Selling price	\$35
Additional revenue	\$7,122,500
Additional revenue (per acre)	\$44.50



Brian Haraga is Michigan Sugar Company's Chief Financial Officer and is responsible for reporting and evaluating financial performance. He also provides long-term operational goals, budgets and forecasts. Brian joined the company in 2004.

Sugar, More Money

can impact the sugarbeet payment

The math is pretty simple: If sugar production goes up, so, too, does the beet payment. Figure 1 shows how increasing sugar production creates a larger beet payment.

Before the first sugarbeets are sliced at the beginning of each campaign, a set of fixed costs (red line) — salaries, taxes, property insurance and depreciation among them — are known. As sugar is produced, the variable costs (green line) — items like fuel, chemicals and beet freight — increase.

Think of the early days of sugar production like the beginning of a high-thrill roller coaster ride. It is a slow climb to the break-even point filled with anticipation, some unknowns and maybe even a few nerves. But once you hit the top, it is full steam ahead until the ride comes to an end. The chart below shows how quickly the margin increases between costs and revenue. It also is clear that the

rate at which variable costs grow is significantly less than the rate at which revenue increases.

Every year, when the crop comes out of the ground, we measure tonnage and RWST. There can be no argument that both are important, but for the purposes of this article, let's examine how increasing RWST can impact the beet payment. It is important to note that the change in gross payment per acre, as illustrated in Table 1, is achievable if all growers in the cooperative pull together and increase RWST.

Table 1 uses some set factors like 160,000 acres harvested, 4.4 million tons of beets delivered, a yield of 27.5 tons per acre, a shrink of 7.5% and a selling price of \$35. In this scenario, a 5-pound change in RWST results in an additional 20.35 million pounds of sugar produced, total added revenue of \$7.12 million and an increase to the beet payment of \$44.50 per acre.

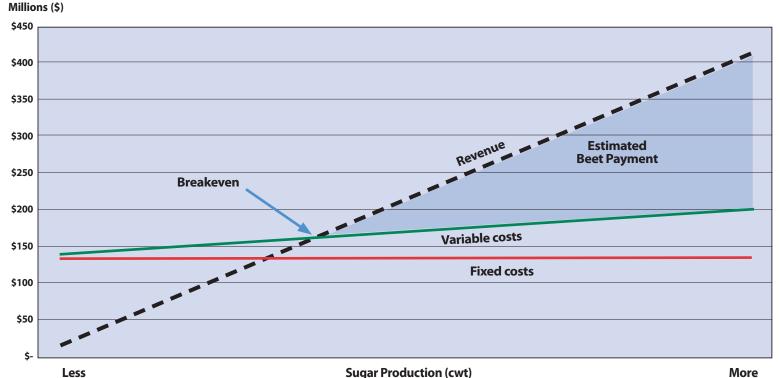
Again, it is important to note that without a companywide increase, individual farmers who increase RWST would see only modest income growth on their own farms.

In other words, we are all in this together.

Of course, when we talk about increasing RWST versus increasing tonnage, we also know that increasing sugar content only minimally impacts operating costs. Those costs — both for the company and for individual farmers — are typically driven by tonnage, not sugar content.

In 2019, Michigan Sugar Company's Board of Directors made a change to the presentation of the beet payment. Growers now receive cents per pound of sugar delivered rather than dollars per tons of beets. We are in the business of growing, producing and selling sugar and the new payment method aligns to that reality.

Figure 1 - Margin Available to Growers



Michigan Sugar Company Rolls Out New Website @ michigansugar.com

By Rob Clark, Director of Communications and Community Relations

BAY CITY, MICHIGAN — With another growing season upon us, Michigan Sugar Company is introducing a completely refreshed website at www.michigansugar.com.

It had been many years since the website was upgraded as a means of providing information about our company's history, products, job opportunities and significant role in the community, among other things.

Michigan Sugar Company hired Ohno Design of Bay City to help tackle the refresh. The project was led by Michael Robb, owner of Ohno, with designer Alan Garcia bringing the new look and feel of the site to life.

"This refresh brings our website into the modern day of online communications," said Mark Flegenheimer, President and CEO of Michigan Sugar Company. "It allows users to access information from their desktop, tablet or phone, all in an easy-to-use and enjoyable format."

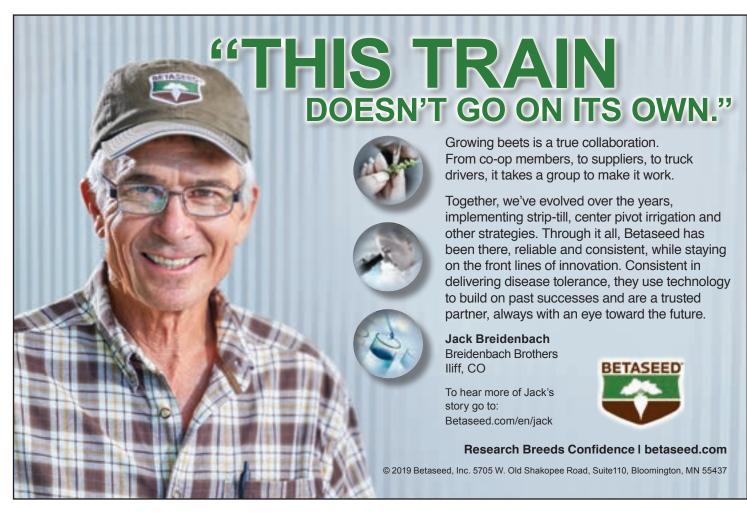
Here is a look at the new Michigan Sugar Company homepage. The refreshed site is now live at www.michigansugar.com. While the public facing site has been fully refreshed, no changes were made to the private site for growers. That means, they'll continue to log in as they've done for years and the look of the private site will be the same.

The refreshed public site includes links to Michigan Sugar's social media pages, a roster of company leaders, important nutritional and safety information about our products, details on each of the company's locations and links to information about scholarships. As in the past, there also is a link at the top of the homepage to Michigan Sugar's logo wear store.

And, as always, the public is able to contact the company via email directly through the site.

Take some time to look through the new michigansugar.com as it includes wonderful images and great facts and figures about our cooperative. Then, share the link to the site on your own social media platforms. We want the whole world to know about it.







www.ropanorthamerica.com info@ropanorthamerica.com

ROPA North America

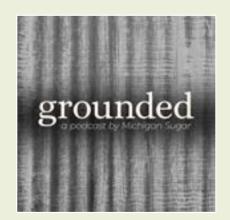






'Grounded' Podcast explores Michigan Sugar's past, present and future Four episodes already available to listeners

By Elizabeth Taylor, Ag Relations & Communications Manager



Looking for a sweet, new podcast?

Check out "Grounded," a podcast hosted by Michigan Sugar Company Executive Vice President James Ruhlman that explores the rich history of Michigan Sugar Company, the traditions that have made the company great and the ideas that will drive the cooperative into the future. Highlighted here are the first few episodes. Upcoming episodes include interviews with sugarbeet industry professionals, Michigan Sugar Company shareholders and employees and young individuals interested in the future of agriculture.



EPISODE 2 - The second episode of Grounded picks up in 1994 with an interview with Mark Flegenheimer, current President and CEO of Michigan Sugar Company. Ruhlman and Flegenheimer look back at the creation of the cooperative and discuss some of the changes, hurdles and growth the cooperative experienced in those formative years.

EPISODE 3 - On the third episode of Grounded, Ruhlman meets with Bill and Adam Herford of W.A. Herford & Sons Inc. They are fourth- and fifth-generation sugarbeet farmers, respectively, and also have a large beef operation and other cash crops. Bill Herford was a founding member of Michigan Sugar Company's Cooperative Board of Directors and served on the board for 16 years. Adam Herford was elected to the Co-op Board in 2017 and is currently serving as Chairman.

EPISODE 4 – The most recent episode of Grounded features Jim Johnson, who retired in 2017 after serving as the Executive President for the United States Beet Sugar Association for 28 years. Johnson reminisces on his time in Washington, D.C., and his relationships with sugar industry officials and provides some insight on how he navigated the political needs of each sugarbeet cooperative through the years.

All of these episodes are available through Apple Podcasts and Soundcloud. Be sure to click the "Subscribe" button so you don't miss new episodes.

LEFT The first episode of "Grounded" features Ernest Flegenheimer, who served as President and CEO of Michigan Sugar Company from 1963 to 1993. In the episode, Michigan Sugar Executive Vice President James Ruhlman and Ernest take a look back at where the company has been.



How Are High Sugar Winners Determined?

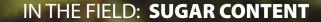
Recognizing high sugar producers in our three districts has been a practice of Michigan Sugar Company for many years and speaks to the goal of high quality crops and production. The recognition is based on recoverable white sugar per ton (RWST) and determined by test sampling when harvested sugarbeets are delivered to a factory or one of many corporate piling grounds.

2019 TOP 10 HIGH SUGAR PRODUCERS BY DISTRICT

EAST DISTRICT		
NAME	RWST	
William L. Volmering	318.02	
Holdwick Acres LLC	312.68	
Bischer Farms Partnership	306.19	
Larry Klama	305.90	
Ronald L. Hanson	304.74	
Joel Weber	304.66	
Hector VanDamme Farms Inc.	303.09	
David Elliot	302.79	
DNL Farms LLC	302.43	
Brian Learman	302.27	

CENTRAL DISTRICT		
NAME	RWST	
S K Gremel Farms Inc.	319.48	
Timothy Kubacki	303.75	
Kundinger Farms Inc.	303.01	
Darwin Dean Sneller	301.30	
Mark Gruehn Family Farm Inc.	300.73	
Heath Krohn Farms LLC	300.52	
S K Gremel Farms Inc.	300.11	
T L Bushey LLC	300.08	
Ryan Kohl	299.94	
ETL Farms Inc.	299.88	

WEST DISTRICT	
NAME	RWST
Reif Farms Inc.	299.74
D. Wendland Farms	296.41
Brian Pincik	296.00
B & D Schutte Farms LLC	295.38
Bickel Family Farms LLC	293.29
Jordan Pincik	292.41
Reif Farms Inc.	292.17
Eric J Frahm	291.91
Shaffner Brothers LLC	291.09
Mark Mossner	290.92



Grower-Owners Receive High Sugar Awards

East District HSP Winner for 2019 is Volmering Farms

By Adam Maurer, Field Consultant

The 2019 High Sugar Producer Award in the East District went to William L. "Bill" Volmering of Volmering Farms of Harbor Beach. Bill and his wife Gayle started farming after Bill's father Jerome purchased a farm to raise beef cattle. Bill and Gayle raised five daughters there, and now that home farm is transitioning to their daughter Melissa, her husband Scott, and their sons Zachary and Trent. Bill currently farms with his three brothers and four nephews. They grow sugarbeets, dry beans, corn and wheat, along with raising beef cattle.

The winning field of sugarbeets was a 35-acre parcel planted on May 16 with Betaseed 149N. The previous crop was wheat, and it was soil sampled and variable rate spread along with 12.5 tons of pen pack manure

BELT Frame Browning a State of The State of

ABOVE Bill and Gayle Volmering of Volmering Farms in Harbor Beach received the 2019 East District High Sugar Producer Award.

applied under FSA guidelines. Then, radishes were planted to prepare for the next year's beet crop. Field conditions were acceptable after lightly working with the field cultivator. The beets were planted in 22-inch rows with 2x2 fertilizer and Quadris in furrow. Quadris also was T-banded over the beets along with a final side dress application of nitrogen. They started their leafspot program at the end of June, which consisted of rotating tins and Topsin, triazoles and strobilurins. Every application was made with tank mixing an EBDC, adjuvant and an insecticide when conditions permitted.

Volmering Farms utilized a Ropa harvester along with a pull type Richardson to get their beets out of the ground and on the headland, where they were then loaded with a MAUS to head for processing. The field was harvested on Sept. 11, 2019. The winning field had recoverable white sugar per ton (RWST) of 318.02, comprised of 21.22% sugar content and a 95.46 clear juice purity.

Congratulations to Bill Volmering on a job well done.

continued on page 32

IN THE FIELD: SUGAR CONTENT



High Sugar Producer Awards, continued from page 31

Gremel Farms Wins Award as Central District High Sugar Producer

By Jeff Elston, Field and Harvest Specialist

The Central District recipient of the top RWST sugar producer award for the 2019 crop is S K Gremel Farms Inc. The winning sugarbeet field was a 33- acre plot, planted on April 28. The variety planted was Betaseed 149N and seeds were planted in 20-inch rows. They utilized barley as a spring planted cover crop for wind erosion control and green matter for the field. The field was harvested on Sept. 11, with a final RWST of 319.48.

S K Gremel Farms Inc. is owned by Shaun Gremel, whose farm operation is just outside of Sebewaing. He has farmed for 25 years in a family operation with his dad, Richard, his brothers, Craig and Joel,

and his neighbor, Brian Brandenburg. The Gremel family has been farming at this location for four generations and most of the land they farm is within 10 miles of the family farm.

Their sugarbeet acreage is harvested and delivered to the Sebewaing piling grounds. They have a diversified crop rotation of sugarbeets, corn, dry beans, soybeans and wheat. The farm operation also has disposed the Sebewaing factory's beet chips for many years. They plant their sugarbeets as early as possible in the spring to try to maximize the sugar potential of the beet crop.

RIGHT Clint Hagen, left, presents the 2019 High Sugar Producer Award for the Central District to Brian Brandenburg of S K Gremel Farms Inc.



By David Ganton, Field Consultant

Sugarbeet varieties move in and out of the marketplace at a faster rate of speed than ever today. The revolving door means our growers have less time to evaluate and pick the seed best suited for their fields. Gary and Mark Reif's solution to that challenge is to evaluate multiple varieties in their own on-farm test plots.

"The plot doesn't make me an expert at picking varieties, but it gives us a good feel for how different varieties perform on our farms", says Mark Reif who farms near Reese in Saginaw County with his dad Gary. The Reifs farm about 2,500 acres with 650 acres of sugarbeets.

They respect, trust and use the variety plot work that Michigan Sugar and Sugarbeet Advancement provides, but they also like to see how different varieties perform in the micro-climate of their own fields.

On April 27, they picked eight varieties in 6.5-acre plots and went out to plant 63,000 seeds in wet conditions with their JD XP 32-row planter. Quadris in furrow was applied along with 60 gallons of 28% nitrogen with 7 gallons of thiosol PPI. After emergence, glyphosate was applied twice with Warrant

added on the second application. The Cercospora/ alternaria spray program was pretty standard with a rotation of triazoles, strobilurins, and tin, along with EDBCs and a spreader sticker sprayed through JD 3D tips at $22\frac{1}{2}$ gallons per acre. NDemand was applied twice during the fungicide applications.

Reif Farms is on a four-year rotation with corn, dry beans, soybeans, wheat and, occasionally, pickles with tile spaced about 40 feet on this particular

On Nov. 9, once again during very wet conditions, Reif's Tiger Ropa harvested in 22-inch rows on the Cormendy Farm. All plots were weighed and sugar samples taken. Tare was standardized for the sake of fairness and numbers were calculated.

The highest RWST in the West growing district for 2019 was Hilleshög 9879 NT at 299.74. This accomplishment was achieved with a 19.55% sugar.

A big congratulations goes out to Mark and Gary for their hard work, innovative farming and dedication to Michigan Sugar Company and growing a great sugarbeet crop.

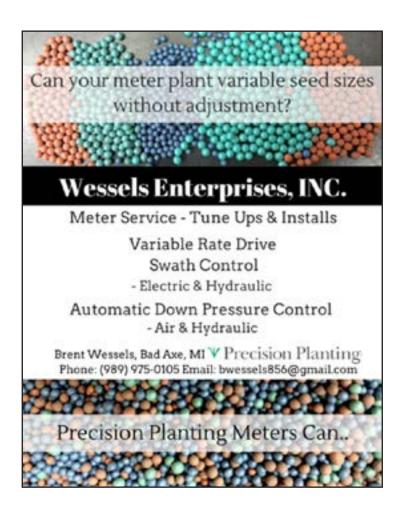
> **RIGHT** Dean Haubenstricker, left, presents the 2019 High Sugar Producer Award for the West District to Gary Reif of Reif Farms Inc.













135 participate in annual Michigan Sugar education program

2020 Registration open through May 1 at michigansugar.com

By Elizabeth Taylor, Ag Relations & Communications Manager

Michigan Sugar Company's Youth Sugarbeet Project is a program where future generations of sugarbeet growers can learn more about the crop and the agriculture industry while developing skills, meeting new people and having fun. In the end, they also are recognized and awarded for their accomplishments. The program is open to young people in grades 3-12 who live in Michigan Sugar Company's growing region. Students can sign up for this year's project through May 1. Registration forms are available online at www.michigansugar.com under the "Community" and "Youth Sugarbeet Project" tabs.

New this year were Youth Project T-shirts, with the program sponsors displayed on the back. Participants also got to enjoy an annual summer trip and an awards banquet. This year, the awards banquets were moved to August in order to streamline the program. We also introduced two new events this year: March Matinee, which will be a yearly event, and a Tall Ship Celebration event in July.

The Youth Sugarbeet Project had 135 participants who were required to complete an ag report, test and interview; attend and participate in Youth Field Day; and enter sugarbeets or a poster in their county fair or take part in a scavenger hunt.

On Thursday, June 27, almost 100 Youth Project participants and parents visited Frankenmuth for the 2019 summer trip. The morning was spent at the Frankenmuth Aerial Park, where the kids got to zip-line and climb through a variety of obstacles. Afterward, they headed to Zehnder's Splash Village to have lunch and cool off for the afternoon.

The annual Field Day was held Thursday, July 11, at the Saginaw Valley Research and Education Center in Frankenmuth. The day focused on safety, so in addition to our sugarbeet education stations we also had a station for first aid, a grain bin simulator and a presentation from Thumb Electric on electrical safety. The kids also got to make their own ice cream at the Kids in the Kitchen station.

There were almost 100 kids in attendance, as well as agricultural staff, board members and parents who volunteered their time to make it a fun and educational day.

A big thank you to ACH Seeds, Betaseed, Seedex and Hilleshög for sponsoring our program. A huge thanks to Betaseed for the ice cream treats at Field Day, too!

The Youth Project awards banquets were held in August this year in the various districts to reward participants for their hard work. Participation in Field Day and local fairs, as well as scoring on testing, interviews and the ag report, determined the winners from each area. In each age group, the top 20% of participants were awarded High Honors while the participant with the most points was given the Premier Award. All participants received some great gifts for participation, with the Premier and High Honors winners receiving additional special prizes.

Also new this year, during Field Day, participants voted on what to do for the 2020 summer trip. The winning idea is to attend a Detroit Tigers game.

We thank all of the students who participated in this past year's program, as well as their parents who encourage them to learn more about the importance of our industry.

Premier Award Winners

Here is a list of Michigan Sugar Company's Youth Project Premier Award winners from 2019. The award is given to the Youth Project participant in each age group with the highest point total. Awards are given in each of Michigan Sugar Company's three districts.

EAST DISTRICT

Grades 3-5

John Guza, son of Chris and Angela Guza

Grades 6-8

Grant Guza, son of Chris and Angela Guza

Grades 9-12

Brent Volmering, son of Doug and Sarah Volmering

CENTRAL DISTRICT

Grades 3-5

Eva Hecht, daughter of Jacob and Kristin Hecht

Owen Reibling, son of Matthew and Michelle Reibling

Grades 6-8

Dori Battel, daughter of **Bob and Sue Battel**

Grades 9-12

Addy Battel, daughter of **Bob and Sue Battel**

WEST DISTRICT

Grades 3-5

Daniel Hudeck, son of Peter and Sarah Hudeck

Grades 6-8

Carson Block, son of Phil and Michelle Block

Grades 9-12

Caroline Hudeck, daughter of Peter and Sarah Hudeck



Elizabeth Taylor is the Ag Relations & Communications Manager at Michigan Sugar Company. She joined the company in 2016, and works closely with the Agronomy Department to create and share meaningful information with its growers.

CENTRAL DISTRICT

EAST DISTRICT







EAST DISTRICT, CLOCKWISE FROM TOP LEFT John Guza, Grant Guza and Brent Volmering







CENTRAL DISTRICT, CLOCKWISE FROM TOP LEFT Eva Hecht,



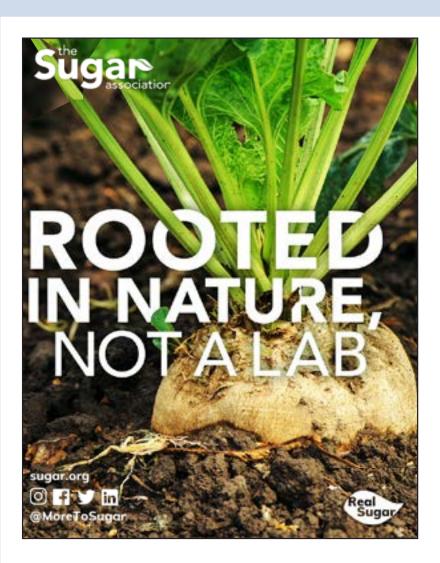




WEST DISTRICT, CLOCKWISE FROM TOP LEFT Daniel Hudeck, Carson Block and Caroline Hudeck







Old beet knives just part of one Michigan family's farm story

By Rob Clark, Director of Communications and Community Relations

EDITOR'S NOTE: This is the second article in a newly introduced feature in *The Newsbeet* called Our Sweet History. It is a companion piece to the "Throwback Thursday" feature launched last year on the Michigan Sugar Company Facebook page. It features photos and stories from the past as we celebrate our company's history. Be sure to like our Facebook page and check in on Thursday mornings to take a trip down memory lane.

PIGEON, MICHIGAN – Every now and then, a good history story just falls in your lap. In this case, it walked through the door of Michigan Sugar Company's corporate headquarters last fall.

Denny Fritz, a farmer from Pigeon, stopped by one day to ask if Michigan Sugar would be interested in purchasing a couple of his family's old sugarbeet knives. The request made its way to Rob Clark, Director of Communications and Community Relations, who explained that he'd love to take a look at the knives, but more importantly, he'd love to tell the story behind them.

In the end, the Fritz family donated two of the knives to Michigan Sugar and shared a story that centers on Hazen Fritz, who at 91 years old, is the patriarch of the family.

Born in 1928, Hazen quit school in the 10th grade to become the fourth generation of his family to farm in Michigan. His great-grandparents Johann "George" and Anna "Maria" Fritz came to North America from Germany and helped establish a colony near Bay Port in 1857. They later settled on 80 acres near Kilmanaugh in the early 1870s. Hazen's grandparents Matthes and Katherine Fritz continued the farming tradition and Hazen's parents John and Agnes took over the farm in the early 1900s, growing sugarbeets, among other crops.

"I remember thinning the beets as a kid; crawling on my hands and knees," said Hazen. "I also remember driving the 'Doodle Buggy,' a 1936 Chevrolet we used to pull the beet lifter."

Hazen and his wife Marilyn had five children – Randy, Denny, Denise, Connie and Sherri. Sadly, Marilyn was killed in a car crash in 1973. Hazen and his second wife Arlene continued to run the farm. Arlene passed away four years ago. Today, JDF Farms comprises 1,500 acres in Huron and Sanilac counties. The farm is now run by Denny's son Joel.

And when they need to recall family history, they turn to some incredible ancestry records ... and Hazen, whose memory remains sharp as, well, a sugarbeet knife.

"I worked 42 campaigns at the Sebewaing factory. I started in 1947 as a sweeper for 66 cents an hour," he says, drawing attention to the Pioneer Sugar jacket given to him after his final campaign in 1987-88 for his safety record. "It was my reward for my record at the factory and my years of service."

The homestead where Hazen was born and farmed remains near Pigeon, as does the nearby homestead of Hazen's father John Fritz. Both properties remain in the family and, like the sugarbeet knives, are a testament to the many years of hard work the Fritz family has dedicated to the land, to agriculture and to preserving their history.





TOP Hazen Fritz, 91, holds a decades-old sugarbeet knife while standing in a pole barn near one of his family's fields at JDF Farms near Pigeon. Born in 1928, Fritz was a sugarbeet grower for many years and worked at Michigan Sugar Company's Sebewaing factory for 42 campaigns from 1947 to 1988.

BOTTOM Here is a sampling of the old sugarbeet knives owned by the Fritz family. They donated two of these knives to the Michigan Sugar Company archives.

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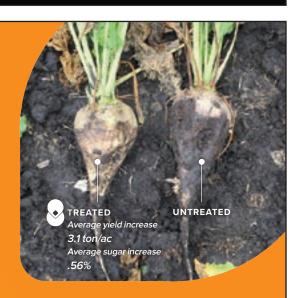
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Making life sweeter one bag of sugar at a time

MICHIGAN SUGAR COMPANY DONATED MORE THAN 100,000 POUNDS IN 2019

By Rob Clark, Director of Communications and Community Relations

"You will be enriched in every way so that you can be generous on every occasion, and through us your generosity will result in thanksgiving to God."

This Bible verse from 2 Corinthians appeared inside a thank-you card Michigan Sugar Company received last year after donating sugar to Peace Lutheran Church and School in Saginaw. Along with the verse was a note that explained our donation of 200 pounds of white granulated and 96 pounds of light brown sugar helped the organization raise more than \$3,000 through an apple pie fundraiser.

"You are the living expression of God's kindness," the note concludes.

As the person who oversees our cooperative's sugar donations, I continue to be humbled by how much impact a bag of sugar can have. It is true that a little bit of sweetness goes a long way and I am proud that last year alone, Michigan Sugar Company donated more than 100,000 pounds of sugar to food pantries, churches, schools and other nonprofits.

Here are just a few examples of how our sugar made life sweeter for others:

The Vestaburg National Honor Society used its sugar donation to make 585 pies they sold to help finance the group's spring trip to Washington, D.C.

The shelves of the Bad Axe Free Methodist Church Food Pantry were stocked with donated sugar that found its way into food boxes distributed before the

A donation of sugar to the Shiawassee County 4-H Council helped the group prepare 290 apple pies that were distributed to less fortunate families during the holiday season.

Freeland United Methodist Church, St. Agnes Catholic Church and Zion Lutheran Church joined forces and placed bags of donated sugar into 272 food baskets that were distributed to families in need at Thanksgiving and Christmas.

What I love most about these sugar donations is that the recipients are putting the sugar to use in wonderful ways that positively impact our communities. That's a win-win in my book.

Along with the countless donations made to groups like these, Michigan Sugar Company also was the driving force behind three major sugar donations in 2019 — those made through our Michigan Sugar Home Runs partnership with

Joe Baranowski, left, and Brian Bedell load 40-pound bales of Pioneer Suaar into a vehicle during the Michigan Sugar Company's 2019 United Way Sugar Distribution held Oct. 21 at the company's Bay City factory. During the event, Michigan Sugar donated 20,800 pounds of sugar to 65 recipients from six counties.





April Nahgahgwon, a member of the Auburn United Methodist Church women's group, shows off some apple pies baked by the members of her group and sold for \$10 each to raise money to support the church's mission work. Nahaahawon said the group sold 588 pies this year. They were all made using Pioneer Sugar donated by Michigan Sugar Company.

the Great Lakes Loons minor league baseball team, our Sweet Shots of the Game partnership with the Saginaw Spirit hockey club and our annual United Way of Bay County Sugar Distribution.

Launched in 2018, the Michigan Sugar Home Runs promotion benefits Hidden Harvest, a food rescue and redistribution agency serving the Great Lakes Bay Region. Each time the Loons hit a home run, Michigan Sugar donates 25 pounds of sugar to Hidden Harvest. In 2019, the Loons led the Midwest League with a whopping 113 homers, which resulted in a sugar donation to Hidden Harvest of 2,825 pounds.

Similarly, our Sweet Shots of the Game promotion benefits Rescue Ministries of Mid-Michigan, which operates City Rescue Mission in Saginaw and Good Samaritan Rescue Mission in Bay City. For every goal scored at home by the Spirit, Michigan Sugar donates 25 pounds of sugar to the mission. Last year, that amounted to a donation of more than 4,000 pounds of sugar.

For years, Michigan Sugar has worked in conjunction with United Way to distribute sugar to local food pantries through a one-day distribution event. Last year, we donated 20,800 pounds of sugar to 65 recipients from Arenac, Bay, losco, Midland, Saginaw and Tuscola counties. Each agency received 320 pounds of white granulated sugar.

As I look back at thank-you notes I keep in an overflowing folder on my desk, I am struck by the number of times I read expressions of gratitude like the one offered by the members at Alcona St. Vincent dePaul, who included donated sugar in food baskets distributed to 190 families this past holiday season: "Without your help and others in this community, we would not be able to do this."

We make a product that people need, want and love. That's something for which we should all be proud. And we are part of a cooperative that understands the enrichment we receive simply by giving.

For that, we should all be grateful.

REQUEST A DONATION A sugar donation application is available online at www.michigansugar.com under the "Community" tab.



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