



# RockyTalk

FOOD FOR THOUGHT. INFORMATION FOR BUSINESS.



## Positive Signs in Our Midyear Checkup

BY BRAD GJERMO, CHIEF EXECUTIVE OFFICER



With drought and fire taking over so much of Montana, our area has been more or less the garden spot in the state this year. Good spring moisture—almost too good in some spots—paid off through the growing season. Now we’re hoping for cooler temperatures and moisture in those areas most impacted by the dry conditions.

As we hit the halfway mark in our fiscal year, we always take stock of our performance in the first six months—almost as detailed as our year-end audit. This helps us know how we’re doing with time left to make any necessary adjustments.

Thus far, we’ve been challenged in much the same way as our cattle producers, with sales of everything connected to livestock—feed, supplies, etc.—down somewhat. We have, however, seen sales increase in other areas, particularly our retail stores. The agronomy department has seen an increase in fertilizer tonnage, and our chemical and seed business has grown with the addition of Townsend Seed.

On that note, the performance of both our recent

acquisitions—Townsend Seed and Helena Fuel—has exceeded expectations. Consequently, our local earnings to date are similar to last year’s record-setting figures. However, our overall earnings are down due to a reduction in the patronage received from CHS. Lower energy prices and a lack of volatility were the primary factors that led to a 70% drop in our CHS patronage compared to the past two years.

### Back in a big way

We appreciate the support of our patrons and the Dillon community during our 18 months of construction at the store. Apparently, the end result is appreciated, as our fuel business shot up once the petroleum expansion project was completed. The first month that our new diesel island was open, our volume was up 25,000 gallons over the same month last year. And the only word to describe “eclipse day” in Dillon was “crazy,” as we sold 19,000 gallons of fuel!

As I wrap up this article, I would like to touch briefly on a couple of other Rocky Mountain Supply programs. We evaluated the first year of our scholarship program,

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# Just a Reminder: The Rules Have Changed



BY CHUCK EDGMOND, RETAIL DIVISION MANAGER

As we approach the weaning season, many of you will use weaning feeds and medicated crumbles to help overcome respiratory challenges in your herd. Our CHS Payback® feeds formulated for this purpose—specifically, Head Start S-70 (#10/head/day), Head Start S-140 or CTC 10G Medicated—will require a VFD from your veterinarian.

If you intend to use these products, please plan ahead. Inventory on hand will be limited at times.

## SmartLic® supplements

SmartLic research has demonstrated that supplementation with SmartLic tubs is effective at improving forage intake and cattle performance. Protein is often the most limiting nutrient for cattle wintered on poor-to-moderate quality harvested forages.

Ample amounts of protein are required in order for cattle to efficiently harvest energy from forage-based feeds. Talk to us about the benefits of SmartLic supplement tubs for your livestock operation. ◆



## Positive Signs...

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and decided to make one significant change. We're still offering four \$1,000 scholarships, but this year one of them will be directed toward a student attending a technical or community college. Detailed information can be found on our website, [rmsi.coop](http://rmsi.coop), and at any Rocky Mountain location.

Finally, I want to mention our propane cylinder requalification program. All the details can be found in the article on page 4. While it is true that the Department of Transportation requires us to perform these inspections, they also make sense as part of our emphasis on building

a culture of safety for our employees and customers. The last thing we want is for someone to be injured by a faulty propane cylinder. Please keep in mind that the employees examining your tanks are concerned primarily about your safety, and that of your family.

Once again, thanks for your patience through our improvement projects. We appreciate your business and your support, without which we would not succeed. ◆

The new diesel island in Dillon has proven very popular.





## Winter Is Coming



BY JASON RORABAUGH, PETROLEUM DIVISION MANAGER

As we've discussed before, diesel fuels have changed dramatically in the past few years, as has diesel engine technology. Each year, we learn more about these newer fuels, how they perform and what to be aware of.

As we get ready for winter, I'd like to review some diesel basics—and talk about what's new.

Let me start by saying now is the time to get ready for the cold. Start blending #1 into your tanks now, and get the blend into your equipment so it can work through the fuel system. You don't want summer fuel in the lines on that first really cold day.

One thing to note as you're blending is that #1 isn't #1 anymore—at least not the #1 we grew up with. Because of changes in the refining process, the new #1 is not as effective at lowering both the cloud and gel points as the old fuel used to be. It used to be that every 10% of #1 you added would drop the gel point by five degrees. That's not the case anymore. Now, it's two degrees. So, where a 50/50 blend would drop your gel point by 25 degrees, now it only lowers it by 10.

This situation is made even more challenging by the fact that many of the anti-gel additives that have been on the market for the past 5 to 30 years have little or no effect on ultra-low sulfur diesel (ULSD).

### A new issue

A second consequence of the new refining process, which alters the size and shape of the wax seed crystals in the fuel, is a recently discovered cold weather problem called "wax dropout." This condition can occur when diesel fuel is cold saturated—where the fuel stays at or below a given temperature for 48 to 72 hours or longer. The wax will suddenly clump together and drop to the bottom of the container, plugging fuel lines until it is removed or the fuel warms to the point that it can reabsorb the wax.

Unfortunately, where wax would gradually start to reabsorb in high-sulfur fuel as the fuel temperature rose,

that is not the case with ULSD. The wax does not begin to reabsorb until the fuel reaches fairly high temperatures, which can make dealing with a gelled engine more challenging than ever.

This brings us to the final points on the winter fuel checklist—filters and tanks. The fact that fuel filters have become much more restrictive, coupled with the wax dropout issue, makes it all the more important to change filters on schedule. And, we recommend keeping your filters as "loose" as possible. One possible solution for winter is to use a 40-mesh fuel tank strainer in place of a regular element. This filter will catch the larger particles without restricting fuel flow from your tank.

And finally, keep your tank clean. It takes very little water in common rail systems to interfere with engine performance. Many times, a fuel filter full of frozen water can be mistaken for a gelling problem. Quality fuels, like Ruby Fieldmaster® and Roadmaster® premium diesel fuels, have a demulsifier added that will pull any suspended water out of the fuel to the bottom of the tank. With above-ground tanks, it is important to drain that separated water regularly—particularly if you tend to have fuel sitting in storage for longer periods of time.

We purchased a tank-cleaning machine last year, and we offer it as a service to our customers. If you have a tank problem, we can pull out the sediment, rust and water. Let's get your tank cleaned before it gets cold.

Many potential problems can be avoided by a combination of good tank maintenance, using proper fuel, and cold flow additives. If you have questions about winter fuel, give us a call. We're happy to help.

### Filter service

We're making filter replacement more convenient with our new filter service. All of our drivers will have a case of filters, and we will swap them out for you twice a year. The only cost to you is the price of the filter. Contact us to get on the list and we'll take it from there. ♦

# New Admin Building Brings Opportunities to Belgrade



BY TERRY SWEENEY, CHIEF FINANCIAL OFFICER

Residents of Belgrade may have noticed a new building going up on Gallatin Farmers Avenue. It is the new administration building that will house the accounting and administration department, as well as the primary business offices for the three divisions—petroleum, agronomy and retail—of Rocky Mountain Supply. Currently, these divisions are spread throughout multiple buildings and share cramped quarters as RMS has grown through the years. The 6,400-square-foot building was also designed to benefit the local community.

The new building will have a large training room that will accommodate meetings and training sessions for RMS employees. The training room can be partitioned to allow multiple meetings to be conducted at the same time. The training room will also be available to local agriculture groups and ag related youth groups, such as FFA and 4-H.

Perhaps one of the biggest benefits is not actually in the building itself, but in the opportunity it could provide for a much-needed remodel of the RMS Belgrade store. The layout of the fuel islands and landlocked nature of the property made remodeling impossible—unless the admin and petroleum offices were moved from the Belgrade store into the new admin building. This was just one of many factors considered by the RMS board of directors during the planning process of the new admin building.

Of course, major undertakings like these require planning. Thanks to some long strategy sessions by the RMS leadership team and the vision and support of the board of directors, Rocky Mountain Supply is undertaking the next project on a list that will help support the local patrons through better facilities and services. Other completed projects on this list include the construction of the Belgrade and Dillon fertilizer plants, the Dillon and Ennis store remodels and the acquisition of Townsend Seed and Helena Fuel Supply.

Rocky Mountain Supply has been able to accomplish these major undertakings while maintaining a strong balance sheet, which has been bolstered by solid working capital.

The new Rocky Mountain Supply building is located at 210 Gallatin Farmers Avenue in Belgrade and is scheduled to open in mid- to late-November 2017. ◆



## Propane Cylinder Requalification

As many of you are aware, Rocky Mountain Supply (RMS) refills propane cylinders at its three stores in Belgrade, Dillon and Townsend. In order to offer this service to our customers, the U.S. Department of Transportation requires RMS to requalify cylinders of 100 pounds or smaller. This includes the 20-pound cylinders used with gas grills.

Once a cylinder reaches 12 years of age, it must be requalified by a visual inspection. The date of manufacture is stamped on each cylinder. If this is missing from the cylinder, it needs to be taken out of service. Trained RMS employees will perform the inspections at no charge, and will base their evaluation on the following factors:

- Rust, corrosion and pitting
- Dents
- Cuts, digs and/or gouges
- Leaks
- Fire damage
- Bulges
- Neck defects
- Attachments

Once the cylinder passes inspection, it can remain in service for another five years, at which time another inspection will be required. A sticker is placed on the cylinder each time it is inspected. However, if a cylinder is damaged or rusts excessively during the five-year service period, it may need to be repaired or taken out of service.

There may be times when an RMS employee will not be able to requalify a cylinder. The intent of this program is to help prevent a damaged propane cylinder from damaging property or causing a tragic injury to a RMS customer. Sometimes repairs can be made, but at times it is best to take the cylinder out of service and replace it. RMS will not provide a repair service for the cylinders. The customer can perform the repairs or take the cylinder to a service provider who has the proper expertise. RMS does sell replacement cylinders. ◆

# HarvXtra® Alfalfa the Best of Both Worlds



BY RANDY CRAIG, AGRONOMY DIVISION MANAGER

*Rocky Mountain Supply has had a long-standing partnership with WinField United and their alfalfa forage program. WinField has developed an exciting, new low-lignin alfalfa with outstanding production characteristics. In this issue, I asked Mick Miller, WinField forage specialist, to talk about what makes this new alfalfa so different.*

In 2016, WinField United launched HarvXtra, an alfalfa that we believe changes the game for both commercial hay and dairy producers. This new alfalfa combines the yield and weed control benefits of Roundup Ready technology with the HarvXtra low-lignin trait.

What does this mean for hay and dairy producers? The list of benefits is impressive. Traditionally, alfalfa producers have had to choose between tonnage and quality. HarvXtra alfalfa enables you to have both.

## Turning down the lignin

Alfalfa has three components that give the plant structural integrity—cellulose, hemicellulose and lignin. The first two are digestible fibers, while lignin is not. The plant breeders who developed HarvXtra worked to change both the lignin content and composition, to the point that lignin was minimized, but the structural integrity of the plant was

not compromised.

The result is a highly-digestible alfalfa that gives the producer unprecedented management options. HarvXtra produces forage of superior quality under a variety of production systems and weather conditions.

Cutting flexibility is a major advantage of HarvXtra over traditional alfalfa. Quality is everything with dairy hay. If you compare a full-dormancy alfalfa variety with the HarvXtra variety—with the same cutting interval—you'll see the quality difference. The HarvXtra variety produces 12-20% less acid detergent lignin, delivers a 14-18% increase in neutral detergent fiber digestibility and provides up to a 20-point increase in relative feed quality.

This means that cuttings can be delayed by 7-10 days, capturing more tonnage while still harvesting dairy-quality hay. That effectively extends your cutting schedule from 28 days to 34 or more, and may even allow you to save a cutting. University of Wisconsin research indicates that over time, yields with three-cutting systems exceed those from four-cut systems by 15-20%. Taking fewer cuttings also reduces traffic, which helps extend stand life.

Harvest flexibility is also a plus here in southwest Montana, where rain can often delay that first spring cutting. HarvXtra is a nice hedge against the elements. So, you can see HarvXtra has a lot going for it, and it's now available at Rocky Mountain Supply. ◆



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## Townsend Manager Beginning Next Chapter

For 20 years, Jim Doak has been a fixture at Rocky Mountain Supply's Townsend agronomy plant, first as the plant operator and then, for most of his time, as agronomy operations manager. While that's how many Townsend locals know Jim, the other chapters of his life might surprise them.

A Butte native, Jim joined the Navy after high school and was stationed in the Mediterranean. After serving, he came back to Montana before moving to California, where he built sailboats and houseboats. "I had a friend out there who went to Alaska every year and worked as a commercial fisherman," Jim recalls. "I had to give it a try, so I went up there. I didn't know a soul, so I worked in a boatyard. I figured that was the best place to meet fishermen."

Jim fished for Dungeness crab for the next five years before deciding it was time for a change. "The industry was changing, and that's a young man's game," he notes. So he returned home

to Montana. After working in Three Forks as a spreader operator and truck driver, he was hired to run the fertilizer plant in Townsend.

"To start, I was just operations, and Nate Solberg got after the sales," Jim says. "He laid a good foundation, and when he moved on, I took over operations and sales. This has been a real good company to work for. It's been fun working the producers and gaining their confidence. They're what I'll miss the most."

Jim turns 65 on Nov. 14, and he'll waste no time getting on to the next chapter. "Jason, my son, and I bought some land in the Sierra Nevadas," Jim says. "It was big gold country years ago, and we have the mineral rights and the equipment. If I can have fun mining it, get a little money out of it, and give it to my grandkids (Jason's son and daughter, Tucker and Riley), I'll be happy." ♦

