ABC

The Advantage

JUNE 2025 | YOUR BENEFIT RESOURCE

RIDING OUT THE STORM

Why steady still wins in market ups and downs.

ABC

The Advantage

ABC helps you gain The Advantage in our ever-evolving industry by providing the tools and knowledge necessary to drive cooperative success and innovation.

A CornerPost Publication.

ABOUT ABC:

Associated Benefits Corporation (ABC) provides administrative and consulting services for employee benefit plans to the cooperative system since 1953.

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Leveraging Scale to Deliver More Value

Cooperatives face an ongoing battle to offer competitive, sustainable benefits to recruit and retain a productive workforce. At ABC, we believe in turning those challenges into opportunities—and we're strongly positioned to do just that.

Backed by a board composed of the general managers and CEOs of the region's largest cooperatives, ABC draws on the combined strength of our members to deliver real, measurable value. Our combined purchasing power is one of our most important advantages, helping us secure top-tier partnerships and services that would be difficult to access independently.

We continue to work with an independent consultant to evaluate and enhance our health offering, ensuring it remains competitive and cost-effective for years to come. At the same time, we've modernized the participant experience for the traditional pension plan through new technology and improved service models.

We're excited to announce a new **Market Rate Cash Balance** program, a retirement solution designed to meet you where you're at—while helping to reduce volatility and manage costs typically associated with the management of an employer-sponsored defined benefit plan.

While technically a defined benefit plan, this program functions differently. Participants receive a pay credit along with an investment return credit, providing predictability and a clearer account balance. At retirement, employees enjoy greater flexibility, while the cooperative retains the tax-deductibility benefits that defined benefit plans offer (up to legal limits).

This new offering reflects what we do best at ABC: evolve with our members' needs while leveraging our scale and expertise. For more details on the **Market Rate Cash Balance** program, including insights from our actuarial partners at October Three, **please see pages 10-11**.

We're here to support the cooperatives with high-value benefit solutions, quality partnerships, top-notch customer service and support and the flexibility to tailor an offering that meets the needs of your specific situation and benefit philosophy.

Mike Israel

Mike Israel
CEO
ABC

The Impact of Cooperatives

How cooperatives build communities, not just businesses.

From the rolling plains of North Dakota to the red dirt of Oklahoma, ABC member cooperatives are more than a business model—they're a backbone to rural communities. The cooperative legacy runs deep, shaped by decades of neighbor-to-neighbor trust and a shared commitment to doing business differently. We're taking a look at the numbers behind that legacy. From billions in net sales to thousands of jobs created and millions returned to members, these statistics show the power of cooperative strength. ✓

co·op·er·a·tive
/kō-ˈä-p(ə-)rə-tiv/

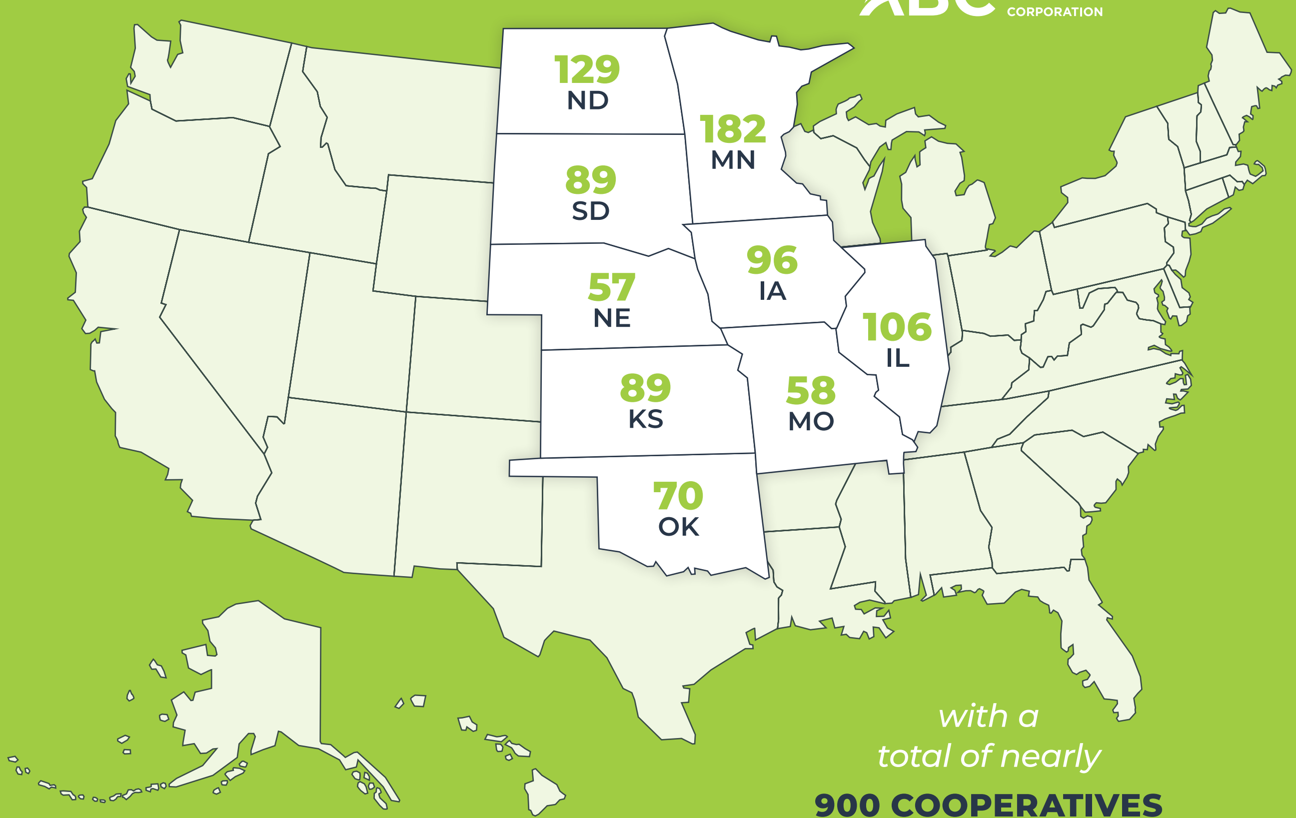
noun

: a farm, business or other organization which is owned and run jointly by its members, who share the profits or benefits.

9 States

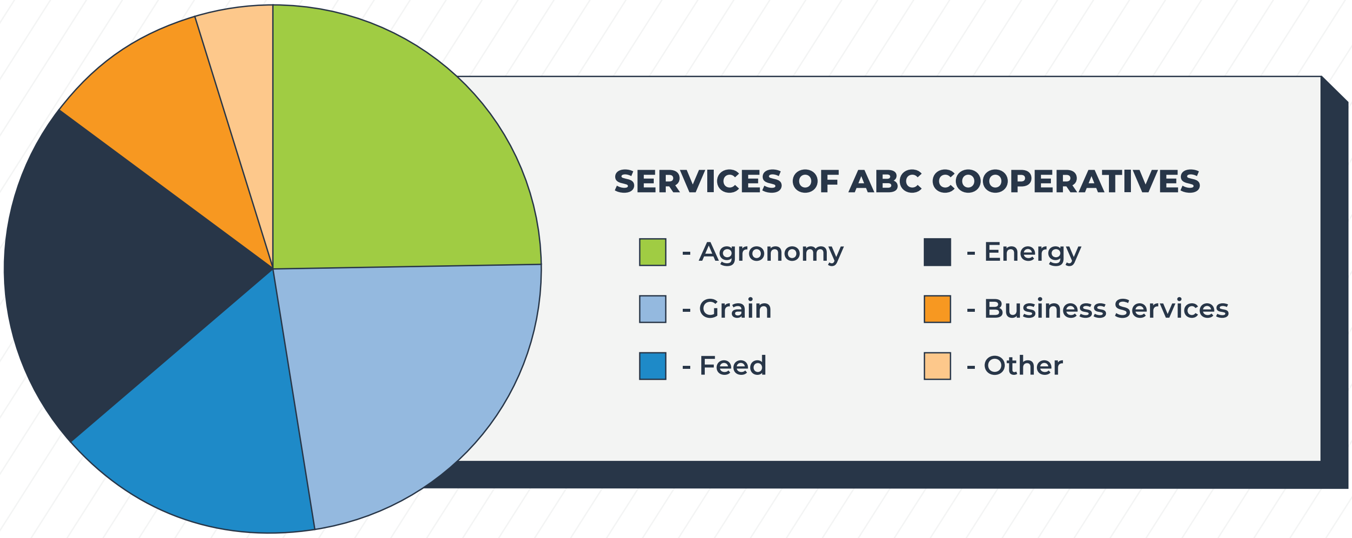
SERVED BY

ABC ASSOCIATED BENEFITS CORPORATION



with a total of nearly

900 COOPERATIVES



$593.5B
ANNUAL REVENUE

average made from cooperatives in ABC states

$639M
ANNUAL PAYROLL/BENEFITS

average paid to cooperative employees in ABC states

1.08M
COOPERATIVE MEMBERS

average in ABC states

8,887
COOPERATIVE EMPLOYEES

average in ABC states

$3 Trillion
INTO U.S. ECONOMY BY COOPERATIVES

average injected annually

View the full article along with sources on our website.

Bobby Martens

Executive Director at Iowa Institute for Cooperatives

Iowa Institute for Cooperatives

ABOUT OUR EXPERT:

Bobby Martens began serving as Executive Director of the Iowa Institute for Cooperatives on January 1, 2025, following nearly 19 years at Iowa State University. During his tenure at ISU, he served as Associate Professor of Supply Chain Management and held the Iowa Institute for Cooperatives Endowed Professorship in Economics.

With a strong background in research, teaching and industry collaboration, Martens is well-positioned to lead Iowa's cooperatives through today's evolving challenges. He's known for developing practical tools and thought leadership that support Iowa businesses, especially in rural and agricultural sectors.

Raised on a family grain and cow-calf farm in North Dakota, Martens brings a lifelong connection to agriculture and a deep understanding of cooperative values. He is committed to building on the Institute's long-standing legacy as a trusted resource and partner to cooperatives.

Congress, Tax Section 199A and Competition

How federal budgets impact cooperatives.

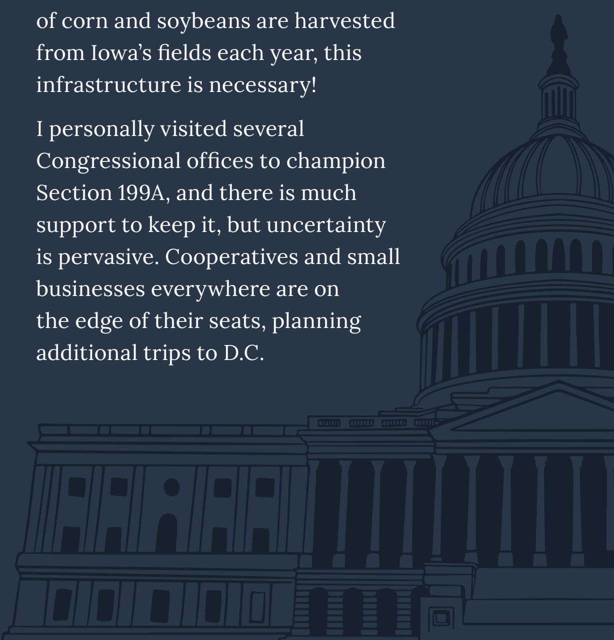
As I write this article, the U.S. Senate is considering the Budget Reconciliation Bill passed last month by the House, which has become known as the "One Big Beautiful Bill Act." Congress uses budget reconciliation bills to pass tax legislation with a simple majority vote in the Senate. These bills aim to align federal spending and revenue with budget targets, but the process is fraught with challenges. Political parties and members within parties, such as the Freedom Caucus and SALT caucus moderates, vie for unique priorities and outcomes. In general, spending cuts need to be found to offset the cost of tax cuts, including those from the Tax Cuts and Jobs Act of 2017, which is up for renewal.

Agricultural cooperatives and pass-through entities are closely monitoring and influencing members of Congress as the reconciliation bill progresses due to a single section of affected tax code: Section 199A. Introduced by the Tax Cuts and Jobs Act of 2017, Section 199A updated the Domestic Production Activities Deductions and created tax savings for pass-through entities. Eligible pass-through business owners can deduct up to 20 percent of their qualified business income from their taxable income, while subsection 199A(g) allows agricultural cooperatives to deduct 9 percent of their qualified production activities income, limited to 50 percent of the W-2 wages. This deduction can be used by the cooperative or the farmer-member. Unlike the 2017 changes to the tax rates for C corporations, Section 199A is not permanent. Therefore, if not extended or made permanent, this deduction will expire on December 31, 2025. The question becomes: will Congress keep Section 199A or toss it to make room for other spending or tax cut priorities?

Section 199A is not just a tax deduction for cooperatives and pass-through entities; rather, it is tax code that maintains a fair and competitive playing field with C corporations, which enjoy a permanent and significant tax advantage due to lower corporate tax rates and the ability to retain earnings within the corporation. Without this deduction, cooperatives and pass-through entities would face a relatively higher tax burden, making it more difficult for them to compete.

Agricultural cooperatives form critical supply chain links both at the farm-gate space and up- and downstream by providing capital-intensive infrastructure critical to hand, store and move agricultural inputs and products such as corn, soybeans, feed and milk. Over the past several years, tax savings from Section 199A were important to enable farmer-owned cooperatives to invest billions of dollars into local agricultural and food supply chains. Considering that well over three million truckloads of corn and soybeans are harvested from Iowa's fields each year, this infrastructure is necessary!

I personally visited several Congressional offices to champion Section 199A, and there is much support to keep it, but uncertainty is pervasive. Cooperatives and small businesses everywhere are on the edge of their seats, planning additional trips to D.C.



Onboarding ~~101~~ 201

Advanced tools and tips for building a seamless employee experience.

Cooperatives face a common challenge: onboarding employees who can thrive in a member-driven, community-oriented business model. While standard checklists cover paperwork, introductions and safety training, cooperatives that excel go several layers deeper, using onboarding as a strategic opportunity to improve retention, cultural fit and leadership development—regardless of whether the new hire is a summer intern or a C-suite executive. Research shows this investment pays off. A well-designed onboarding program can improve new hire retention by over 80% and productivity by more than 70% (StrongDM, 2023). But beyond the basics, some of the most effective onboarding strategies are the ones few organizations think to implement.

1. PERSONALIZED PRE-BOARDING

Before day one, send new hires a "Welcome to Our Cooperative" guide that goes beyond logistics. Include a cultural briefing that outlines your co-op's values, governance structure and community initiatives. As a bonus, pair this with a short, personalized video from their future department head. You can record videos using simple phone tools or platforms like Loom, and you can use Canva or Adobe Express to design a co-op-branded PDF with visuals that showcase recent projects, board activities and community impact stories. This creates an emotional connection and brand loyalty from the start.

2. THE FIRST 5 CALLS

In the first two weeks, require each new hire to have five scheduled conversations with people from different areas of the business—not just their department. Include one person from the board, one frontline worker (e.g., a seasonal applicator or elevator operator), one mid-level manager, one HR or compliance officer and one member-facing employee. HR should coordinate the calendar ahead of time and frame the meetings as informal "coffee chats." You can also provide guiding questions for the new employees to spark conversation, such as "What do you wish you'd known your first month?" or "How does your role support the cooperative's members?"

3. SUCCESS SCORECARD

An "Onboarding Success Scorecard" is a tool that tracks progress in key areas—systems proficiency, cultural understanding, compliance completion and peer integration. Have the new hire and their manager review it at 30, 60 and 90 days. You can use a simple spreadsheet or onboarding software to track items. Color-code the progress (green/yellow/red) to quickly flag areas that need reinforcement. Include open-text fields for qualitative feedback.

4. CO-OP CONNECTION

Most new hires, especially those outside ag or rural development, have never worked in a member-owned business. In these cases, include a 30-minute session in the first week that teaches the co-op difference—covering patronage, member governance and local investment. You could ask a board member or long-time employee to lead this session. Include examples of how surplus is returned to members or invested in infrastructure. This fosters early buy-in and strengthens cooperative identity.

5. REVERSE ONBOARDING

For executive hires or department heads, consider "reverse onboarding," a structured listening tour where the leader interviews team members and frontline staff before making any decisions related to processes or systems. The goal is to understand existing workflows and challenges before introducing change. To help maximize the success of this technique, equip leaders with a question guide (e.g., "What's working? What's slowing us down?"). This encourages humility, builds trust and uncovers key insights before strategy is set.

6. AUTOMATE, BUT PERSONALIZE

Digital tools reduce manual workload, but personalization remains critical. Use automation to handle form completion, tax documentation and benefits enrollment—but personalize onboarding content based on role, location and generation. Set up role-specific onboarding tracks in your HR system. For example, create separate welcome flows for interns vs. managers vs. field applicators. Include custom videos, training modules and policy reviews based on their responsibilities.

For cooperatives, onboarding isn't just about getting someone up to speed—it's about helping them become a contributor to the mission. When HR teams move beyond generic orientation and design onboarding as a strategic, layered experience, they lay the groundwork for long-term engagement and operational excellence. ✓

Riding Out the Storm

Why steady still wins in market ups and downs.

If you've been checking the headlines lately, you know how fast the mood around the economy can shift. One day it's doom and gloom, the next, we're reading about billion-dollar international deals. It's a cycle that repeats often, and it's no surprise that in this kind of environment, investors (especially those nearing retirement) may start to question their strategy.

We've seen tariffs make a comeback, fresh foreign policy headlines grab attention and the election cycle once again stir uncertainty. But while the details might change, the market's tendency to move through cycles of ups and downs is nothing new. In fact, it's baked into the long-term nature of investing.

So what do you do when the news feels overwhelming, and your retirement plans feel caught in the middle?

We sat down with Jim Jensen, Partner and Senior Consultant with Fiducient Advisors, who helps guide ABC's board through decisions and market cycles. His advice? Stay calm, stay invested and keep your eyes on the long game.

EMOTIONAL INVESTING

It's human nature to want to flee the storm. When markets get choppy, many of us instinctively start looking for dry land. But Jim—and decades of market history—caution against letting fear or frustration dictate financial decisions.

"Part of our role," he explains, "is to help boards and committees not let emotions get the best of them. It's about keeping perspective."

And perspective matters. Consider the past few years. The COVID-19 pandemic triggered a historic market crash, followed by one of the fastest rebounds in history. Then came geopolitical tensions, rising interest rates and now, the uncertainty of trade and tariffs again. Through it all, the market, though not without its scars, kept climbing.

Jim puts it plainly: "Markets are resilient, but they're not smooth. The bumps along the way are normal. What matters most is how you react—or don't react—to them."

LESSONS FROM THE PAST

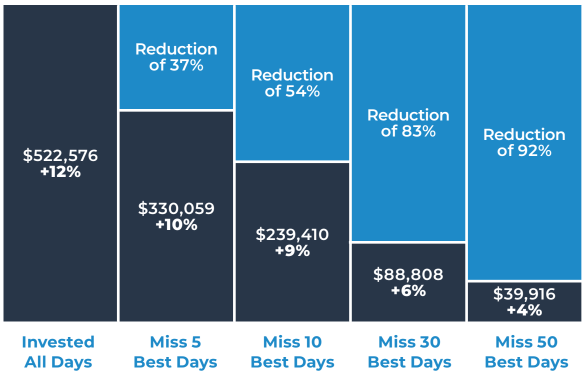
Market history is full of moments that felt catastrophic at the time. The 2008 financial crisis saw the S&P 500 drop by more than 50% before rebounding and eventually hitting record highs. The dot-com bubble in the early 2000s and the Black Monday crash of 1987 followed a similar path—steep drops, long recoveries and eventual growth.

While the market has historically delivered strong returns over time, those gains don't come in a straight line. In fact, according to long-term data, the S&P 500 has finished the year in positive territory roughly 75% of the time since 1926. That means one out of every four years is likely to see a loss, but over a longer timeline, those years tend to be the exception, not the rule.

Even in down years, staying invested can be the smarter choice. Investors who tried to "time" the market by jumping in and out often missed the strongest days of recovery—days that historically account for a large share of annual returns. Missing just a handful of those days can significantly reduce long-term growth.

As Jim says, "Trying to guess when to get out and back in? That's a losing game for most people. You're more likely to miss the rebound than avoid the drop."

Dangers of Timing the Market



If you invested $10,000 in the S&P 500 in 1988 and stayed invested through 2024, you'd have over $500,000. But missing just the five best days cuts returns by 37%—and missing the top 10 cuts it in half.

WHAT THIS MEANS

IF YOU'RE 45 OR UNDER

For younger investors, volatility can actually be your ally. When the market drops, your regular 401(k) contributions buy more shares. Over time, this "buy low" effect can help lower your average cost per share and increase your potential gains when markets rebound.

This is where consistency matters more than timing. Automatically contributing each paycheck, regardless of headlines, helps build long-term wealth. As life and career evolve, increasing your savings rate when possible (even by 1–2%) can make a big difference down the road. And while retirement may still feel far off, this group should also be thinking beyond their own needs—building the kind of financial foundation that supports not just their future lifestyle, but their family and community as well.

IF YOU'RE NEARING RETIREMENT

For investors in their 50s and 60s, market dips can feel more personal. It's easy to think, "I don't have time to wait this out." But here's where having a plan pays off.

Most retirees won't need to withdraw their entire portfolio at once—in fact, retirement can last 20 to 30 years or more. That means even at age 65, a large portion of your portfolio still needs to grow. Keeping enough in cash or conservative investments to cover short-term needs (typically two to three years of expenses) can help avoid the urge to sell growth investments during a downturn.

If you're within a few years of retirement, now's the time to review your asset allocation. You want a mix that balances protection and growth, allowing you to weather short-term storms without giving up long-term potential.

It's also a good moment to start planning the eventual handoff. Whether your goal is to support a spouse, help your kids or leave a lasting legacy, being intentional about how and when you pass on assets can be just as important as how you save them.

KEEP SAVING & PLANNING

Regardless of age, one principle remains the same: keep saving. Even when markets are rocky—or especially when they are—steady contributions are the key to long-term success. Retirement plans like 401(k)s, are designed to weather these cycles. The more consistently you contribute, the more you benefit from compounding growth over time.

It's also a good idea to check in on your overall plan at least once a year. Life changes. So do markets. Making sure your investments align with your goals, time horizon and risk tolerance helps you stay confident—even when the storm clouds roll in.

LOOKING AHEAD

No one knows what the next few months—or even years—will bring. But one thing is certain: markets will move. They always have. And while you can't control what the headlines say, you can control how you respond.

"Don't let your emotions get the best of you. Stay invested. Stay focused on the long term," Jim summarizes. "That's what works."

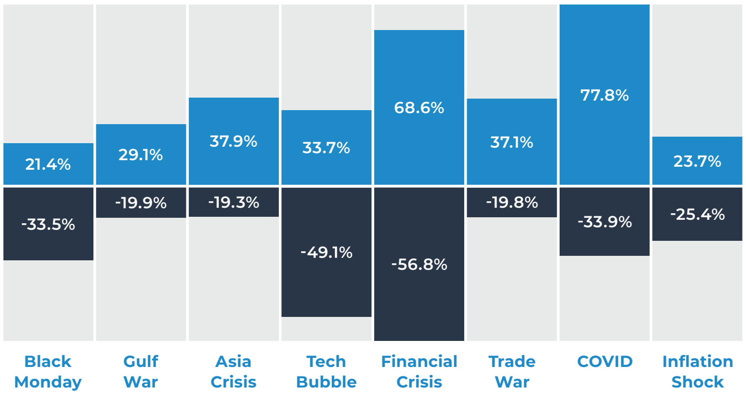
That's not just riding out the storm. That's building something strong enough to last long after it passes. ✓

James Jensen

CIMA® Partner & Senior Consultant at Fiducient Advisors

With over 25 years in the industry—including 21 at Fiducient—James advises institutional clients on all aspects of fund oversight, from asset allocation to performance monitoring. He holds a BBA from the University of Iowa and earned his CIMA® designation through the Wharton School.

Profitability After Volatility



When the S&P 500 drops 15% or more, the average return over the next 12 months is +41%. Despite downturns like 2008 or 1987, markets have consistently rebounded.

Finding the Balance in Retirement Benefit Options

Introducing ABC's Market Rate Cash Balance program.

When it comes to offering retirement benefits that work for everyone—both the employees putting in the hours and the cooperatives backing them—ABC is here to provide high quality programs that meet these needs. That's why ABC is excited to announce a new retirement solution that's flexible, transparent and built to meet the needs of today's co-ops and their teams: **the Market Rate Cash Balance program**. It's an ideal addition to any cooperative's benefits package, giving employees peace of mind for the future and helping co-ops attract and retain top talent.

A STRATEGIC INVESTMENT

ABC didn't build this plan just for employees—it's also a strategic move for cooperatives looking to stand out in today's competitive labor market. The Market Rate Cash Balance program offers predictable, stable costs that reduce risk and simplifies funding requirements compared to traditional pensions. Unlike traditional pensions that heavily favor older workers, our Market Rate Cash Balance program spreads value more evenly across all ages and stages.

The ABC Market Rate Cash Balance program was created with input from co-ops, serving as a modernized approach to retirement planning. The cooperative retains tax deductibility of contributions. This program is also a natural transition from a traditional pension plan and is a qualified plan that allows for funding from excess assets of an existing traditional plan.

As our industry evolves, so must retirement planning. Cooperatives need benefits that are both competitive and sustainable. Our new Market Rate Cash Balance program delivers just that. It honors the legacy of traditional pensions while embracing the flexibility and transparency today's employees expect. This plan offers a new path forward. Contact ABC today and let us help to evaluate how this program can support your team and strengthen your cooperative.

KEY GROWTH OPTIONS:

Employer Contributions

Based on a percentage of the employee's salary, these contributions grow with years of service.

Interest Credits

These are based on market performance, giving employees the potential for greater growth over time.

ABOUT THE PLAN

At its core, a cash balance pension plan is a type of defined benefit retirement plan that looks and feels more like a 401(k). Instead of calculating retirement benefits with a complex formula, the cash balance approach tracks benefits using a notional account for each employee. This account grows in two key ways: employer contributions and interest credits. Employees don't contribute to the plan directly—it's fully funded by the employer. That makes it a true added benefit, not just a retirement account that employees fund themselves.

The ABC Market Rate cash balance plan was built to address the needs of cooperatives across the region. It integrates market-based performance while keeping a firm footing in security and guarantees. The account grows in value based on pooled investments managed by top-tier investment professionals, a setup designed to maximize long-term returns. Employees can easily track the value of their account, and if they move on, the account value is portable within certain limits. In contrast to traditional pensions, where benefits are often backloaded or hard to understand, our Market Rate Cash Balance program is simple, scalable and better aligned with the realities of today's workforce.

BENEFITS FOR EMPLOYEES

One of the standout features of ABC's Market Rate Cash Balance program is its flexibility at retirement. When the time comes, employees can personalize how they receive their benefit. This flexibility is especially important for employees near retirement age, offering them the ability to structure a plan that matches their lifestyle, goals and risk tolerance. ✓

> *The ABC Market Rate Cash Balance program was created with input from co-ops, for co-ops, and with ABC's specialized support, co-ops won't have to navigate the change and its complexities alone.*

LUMP-SUM PAYMENT

Employees who prefer to manage their retirement funds themselves can opt to roll the funds over to a qualified retirement plan such as their IRA.

GUARANTEED LIFETIME INCOME

Just like a traditional pension, this option provides steady monthly payments for life. This feature also comes at a lower cost than what a plan member would pay for a similar annuity in the open market.

MIX OF BOTH

Some employees may want a combination of guaranteed lifetime income and a lump sum for more control over their retirement finances.

Strong Teams, Healthy Bottom Lines

Why summer wellness matters.

When summer arrives, so do longer hours, rising temperatures and busy days for cooperative employees. From scouting fields to fueling tanks, the work can be physically demanding, making it all the more important for leaders to invest in health and wellness initiatives that keep teams strong and focused.

As leaders, it’s easy to get caught up in productivity goals and performance metrics. But the numbers tell a clear story: employee wellness—both physical and mental—pays off. According to the CDC, companies that support wellness programs report up to a 25% decrease in absenteeism and an 11% increase in productivity among physically active employees.

And in a season when heat, exhaustion and stress can take a toll, summer also presents a window of opportunity. Longer days and more daylight hours give employees a chance to focus on building better habits they can carry into colder months when motivation tends to dip. If we want healthy employees in January, we should start in June.

AMONG PHYSICALLY ACTIVE EMPLOYEES:

11% INCREASE IN PRODUCTIVITY

25% DECREASE IN ABSENTEEISM

WELLNESS IMPACTS EVERYTHING

Employees who feel their best perform better. They're more alert on the road, safer on the job and less likely to miss work. And the benefits extend beyond physical health. Stress, anxiety and burnout don't take the summer off. More than 60% of employees report feeling emotionally fatigued during peak seasons. Supporting mental wellness helps your team stay sharp, make better decisions and reduce preventable safety issues.

It's not about expensive programs or top-down mandates. It's about building a culture where health is seen as part of the job, not a perk. That starts with practical actions and consistent communication.

Creating a culture of wellness doesn't require a program overhaul. Start with simple, seasonal tools that your team can actually use—especially during busy stretches when energy and time are in short supply. Think of it as a summer health toolkit, built for the realities of cooperative work.

- **Hydration is fuel.** Encourage employees to drink water early and often—not just when they're already sweating. Make water and electrolyte packets available at loadout points or break areas. Remind team leads to model good hydration habits themselves.
- **Take five.** Quick breaks in the shade help prevent heat stress and mental fog. Even short pauses improve focus and help prevent accidents. Don't underestimate the power of a five-minute reset in hot weather.
- **Dress smart.** Lightweight, breathable clothing in light colors can reduce fatigue and sun exposure. Consider branded sun gear that protects workers while reinforcing your co-op's identity.
- **Move with intention.** While many jobs are physical, they're not always physically balanced. Encourage basic stretches or movement routines before or after shifts to support back, knee and shoulder health—areas often stressed by repetitive tasks.
- **Mental check-ins matter.** Remind team leads to regularly ask how their crew is doing, not just what they're doing. Short check-ins can reveal signs of burnout or fatigue before they escalate, and they help build trust.

FRESH FOOD, FRESH THINKING

Summer is also the best time of year to eat well—and that doesn't have to mean meal plans or calorie counters. Encourage employees to visit local farmers' markets or share produce from their gardens. Even something as simple as swapping garden tomatoes or cucumbers during breaks can spark positive conversations and healthier eating habits.

Some businesses have taken this a step further by planting small employee gardens, whether at one of your cooperative locations or in nearby community plots. A few raised beds and a handful of volunteers can yield more than fresh veggies: it creates shared ownership, stress relief and a break from screen time or indoor work. It's also a low-cost way to bring departments together without planning a big event.

Whether you plant a few tomato vines behind the office or post the farmers' market schedule in the breakroom, seasonal produce is a simple way to reinforce wellness without adding workload.

HELP EMPLOYEES USE WHAT THEY'VE GOT

Health benefits only work if employees know how to use them. Nearly 40% of workers say they don't fully understand their benefits. That's lost value—for them and for your organization.

HR and leadership can bridge that gap by actively promoting what's available in ways that don't overwhelm or confuse. Consider these simple tactics:

- **Send a summer benefits refresher** via email or bulletin boards, highlighting seasonal wellness tips and covered services like annual physicals or lab work.
- **Use short-form communication tools** like group texts, internal messaging apps or paycheck inserts to push out bite-sized benefit reminders.
- **Focus on relevance.** Instead of broad overviews, highlight real-life examples: "Did you know annual wellness visits are covered under your plan?" or "Mental health support is included—here's where to start."

If your co-op is spread across multiple locations, even a simple internal message that walks through key benefits can help. You don't need to host a seminar to make benefits feel accessible.

LEAD BY EXAMPLE

Wellness efforts gain traction when leaders lead by example. When managers are regularly seen taking hydration breaks, stretching or choosing healthy snacks, it sends a clear message that these habits matter, not as rules, but as a shared commitment to staying strong on the job. And if you encourage time off to recharge, be open about taking time yourself—it shows employees that well-being is truly valued at every level.

Leadership sets the tone. Culture doesn't change with a single initiative—it grows through small, consistent actions that show health and safety are priorities, not checkboxes.

As summer ramps up, so does the pressure on your teams. Helping employees make better choices is about more than avoiding heatstroke or tweaking benefits. It's about investing in your people—building habits and awareness now that can help them stay strong when winter rolls around.

Wellness isn't just a line item. It's a strategic investment, and it starts with showing your team that their well-being matters—not just for what they can do, but for who they are. ✓

MENTORSHIP MATTERS

Why it's time for co-ops to build the next generation—together.

What would've made your first year in the co-op world easier? Maybe someone to show you the ropes, translate the acronyms or explain why Bob in accounting is always grumpy after grain settlement week. Whether you stumbled through or got lucky with a seasoned coworker willing to answer questions, chances are, you remember what it felt like to be new.

That's exactly why co-ops should explore a mentorship initiative—to connect experience with ambition and help strengthen the future of our cooperatives, one relationship at a time.

THE CHALLENGE FACING CO-OPS

The workforce is changing. Baby boomers are retiring, and younger employees want meaningful work, mentorship, feedback and a clear path to growth. That's not always easy to provide in rural settings where teams are lean, seasons are busy and institutional knowledge lives in the heads of people eyeing retirement. But that's exactly where mentorship fits in.

It helps transfer knowledge from one generation to the next. It builds leadership capacity from within. It boosts retention, morale and confidence—especially for employees who are capable but green. Most of all, it reinforces what makes co-ops different: the people, the relationships and the long-term commitment to community.

Rob Jacobs, CEO of Cooperative Farmers Elevator, shares how mentorship is making a difference within his co-op: "The CFE mentorship program has been a great success to date. Participants gain a great education while working in various roles that position them for long-term success in their careers. The program has also helped CFE develop next-generation employees who are ready to serve our customers for years to come."

WHAT MENTORSHIP CAN LOOK LIKE

A mentorship program doesn't have to be stiff or scripted. Mentorship in the co-op space can be practical, flexible and authentic. It can happen formally or informally—within departments, across locations or even across co-ops. Some ideas to consider:

- Pair a veteran operations lead with a newer employee during their first busy season.
- Create six-month mentor tracks with regular check-ins, goal setting and shared learning.
- Use virtual meetings to connect employees in similar roles across co-ops.
- Build reverse mentorship into the mix—giving younger employees a voice and veterans a fresh perspective.

The format doesn't matter as much as the intent: investing time and attention into someone's growth. Ask around your co-op, and you'll hear a common theme: the people who stay often had someone who helped them early on. Maybe it was a manager who took time to explain the "why" behind decisions or a coworker who showed them how to handle a tough conversation with a member. These mentor-type relationships may not have been formal, but they made a real difference—building confidence, encouraging growth and helping new employees feel like they belonged. The stories are out there, but what's missing is structure. With just a little intention, co-ops could turn these one-off experiences into something more consistent and sustainable.

TAKING THE LEAP

Mentorship doesn't cost much. It doesn't require new software or a committee. It just takes people—usually ones you already have—sharing what they know with those who are still learning. In return, you get stronger employees, better communication and a deeper sense of connection across generations and departments. And in a time when co-ops are fighting to recruit and retain talent, that kind of culture matters more than ever.

At CFE, this mentorship model is not just about guiding employees through their daily tasks. "We match people up with mentors by carefully assessing the skills, interests and career goals of the new employees," shares Sarah Ranschau, HR Director for Cooperative Farmers Elevator. "This helps us identify the best possible mentors for them, ensuring they receive guidance tailored to their aspirations and developmental needs. We also consider the timing of their employment and the specific roles they'll be undertaking within CFE. By doing so, we aim to create a supportive and enriching environment that fosters growth and development."

The next generation of cooperative leaders is already here. Some are in the warehouse. Some are on the agronomy team. Some just started last week. Don't assume they'll figure it out on their own; give them someone to walk alongside them. Someone who knows the path, the pitfalls and the real value of sticking around. Your cooperative's future might just depend on it. ✓

WANT TO START A MENTORSHIP EFFORT? HERE'S HOW.

01

PICK A FORMAT

Decide if it'll be formal (assigned pairs, regular check-ins) or informal (encouraged but optional). Both can work.

02

FIND YOUR MENTORS

Look for experienced employees who are approachable, patient and respected. Title doesn't matter—attitude does.

03

SET EXPECTATIONS

Keep it simple. Suggest one conversation a month. Focus on listening, sharing experiences and answering questions.

04

MATCH WITH PURPOSE

Pair people based on role, location or personality. Let them know why they were matched—it matters.

05

KEEP IT FLEXIBLE

Not every pair will click. Let people adjust if needed. This isn't about rigid rules—it's about real support.

DATA DRIVEN DECISIONS

Smart ways to harness the power of your benefits claims data.

Data is one of the most powerful tools in business, but only when it's used effectively. While most cooperatives are familiar with the rising cost of employee benefits, far fewer are fully tapping into their benefits claims data as a way to manage those costs. When analyzed thoroughly and used intentionally, this data becomes more than just a record of past healthcare utilization—it becomes a roadmap to smarter planning, targeted wellness investments and better employee outcomes.

However, as access to data increases, so do responsibilities. Privacy concerns and legal obligations, especially under HIPAA and related protections, must guide every step of how data is collected, interpreted and used. For cooperatives that often serve as pillars of trust within rural communities, striking the right balance between data-driven strategy and individual confidentiality is essential.

THE HIDDEN VALUE IN DATA

Every time an employee visits a doctor, fills a prescription or gets a health screening, a claim is generated. These claims are anonymized and aggregated by your insurance provider, and they contain key information such as diagnosis codes, costs, treatment types and utilization rates. At a glance, they might appear purely administrative, but when grouped and analyzed, they can show broader health trends, identify preventable cost drivers and even highlight opportunities for early intervention.

According to a 2023 report by Mercer, nearly 63% of large employers who actively analyze their benefits data reported measurable improvements in cost control and employee health outcomes within two years. The potential impact is particularly high in rural cooperatives, where access to care, transportation challenges and aging workforces can skew utilization and drive up long-term costs. Identifying those patterns allows human resources and leadership teams to act, not just react.

FROM NUMBERS TO ACTION

The most effective use of benefits claims data is rooted in patterns. Is there a rise in musculoskeletal claims tied to repetitive labor or poor ergonomic practices? Are diabetes or hypertension showing up more frequently in mid-career employees? Are high-cost emergency room visits being used in place of primary care?

> *When grouped and analyzed, claims can show broader health trends, identify preventable cost drivers and even highlight opportunities for early intervention.*

Start by working with your Wellmark contacts to receive de-identified, aggregated claims reports. These reports can help HR leaders identify "hot spots" in spending or gaps in preventive care. For example, if claims show a high rate of back-related injuries among seasonal laborers, it might justify investing in improved safety training or lifting equipment.

If mental health prescriptions are rising but usage of Connections Employee Assistance Programs remains low, the issue might be awareness or stigma—something educational campaigns can help address. Your team at ABC has resources available to help educate employees on all benefit offerings.

Prescription data also offers key insights. An uptick in brand-name drug use over generics may indicate that employees don't understand drug formulation. High-cost specialty drugs may justify a deeper dive into case management offerings. Each of these findings offers an opportunity to design smarter, more effective benefits plans that meet employees where they are, without compromising on coverage.

BALANCING INSIGHT WITH INTEGRITY

The line between ethical data use and privacy violation isn't just a legal matter—it's cultural. Employees need to trust that the cooperative's intentions are to support, not surveil. That trust starts with strict adherence to data privacy best practices.

All claims data provided to employers is governed by HIPAA and must be de-identified. This means data must not contain names, social security numbers or any other information that could be tied back to an individual. Human resources teams should work only with aggregate-level data sets, where trends are observed by group, such as age, job type or geographic location, and never by individual identity.

HR teams should also implement strong internal controls. Data analysis should be handled only by authorized personnel, with access logs, data encryption and audit trails in place. You can be assured that ABC will follow these same data protection protocols if consulting with you on your findings.

Importantly, communicate openly with your employees about how their data is being used. Explain that the goal is to improve benefits, reduce unnecessary costs and invest in preventive care, not to monitor individuals. This transparency builds trust and reinforces the cooperative's values of putting members and employees first.

63%

of large employers who actively analyze their benefits data

IMPROVED COST CONTROL & EMPLOYEE HEALTH OUTCOMES

within two years

PROACTIVE PLANNING

Some cooperatives are now taking data analysis a step further with predictive analytics. By using historical claims data in combination with demographic or occupational data, it's possible to forecast potential health trends before they happen.

For instance, a cooperative with an aging fleet of drivers with long distances to cover might predict an increase in cardiovascular claims. An agricultural cooperative may anticipate an uptick in illness following a busy season like planting or harvest, when employees have less time to care for themselves and are more susceptible to sickness. By identifying these trends early, cooperatives can budget more accurately, target outreach campaigns and have strategic negotiations with insurance carriers.

Predictive modeling doesn't require in-house data experts. Many insurance carriers now offer these services as part of their package, especially for mid-size and large employers.

THE KEY IS TO ASK THE RIGHT QUESTIONS:

- **What health risks are most likely to rise in the next 12 months?**
- **What preventive steps can be taken now?**
- **How do those risks vary across departments or locations?**

START SMALL

For cooperatives just beginning to explore claims data analysis, the process can feel daunting. Start with simple quarterly reviews and identify one or two trends to explore. Utilize your partners at Wellmark and ABC—we're here to help. Most importantly, treat the process as ongoing. Claims data is not a one-time report, it's a continuous pulse check on the health of your people and the sustainability of your plan.

Regularly benchmark your co-op against industry peers, using national data sources like the Kaiser Family Foundation's annual employer health benefits survey or the Business Group on Health's workforce strategy reports. These benchmarks offer context that helps cooperative boards and executive teams make informed decisions.

HONORING COOPERATIVE VALUES

At its core, using benefits claims data strategically is about honoring the same values that guide the cooperative business model: stewardship, transparency and a long-term investment in people. It's not about cutting costs at the expense of coverage, it's about making data-driven decisions. With continually rising healthcare expenses, unpredictable labor markets and shifting employee expectations, cooperatives that embrace strategic benefits planning are better equipped to navigate change. More importantly, they are better positioned to care for the communities they serve, starting with their own teams.

By combining thoughtful data use with privacy safeguards and clear communication, cooperatives can transform a pile of paperwork into a powerful tool for better health, stronger retention and lasting trust. ✓

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Review your retirement plan contributions today

How much should you save for retirement?

Whether retirement is a long way down the road or just around the corner, it's important to make a plan to get there.

Principal® research suggests you may need to **save 10%-15% throughout your career to maintain your current lifestyle in retirement.** That's not including any employer match you may receive.[1]

Because each individual's situation is unique, and your savings and post-retirement needs may differ, **it's important to find out if you're on track.**

Principal.com is a good place to start. You can easily see the potential impact of a small increase in retirement plan contributions.

To check how much you're saving, scan the QR code or log in to **principal.com/contributions**.

Depending on your plan, you can add an automatic annual increase to boost your savings rate little by little every year.

See how saving more now vs. waiting can make a difference for your retirement

This example is for illustrative purposes only. It assumes $50,000 in annual income, bi-weekly pay periods, 3% annual wage growth, 30 years to retirement, 6% annual rate of return and 25% for state and federal taxes. Total employee contributions without earnings is $142,726 at 6% contribution rate, and $237,877 at a 10% contribution rate. The assumed rate of return is hypothetical and does not guarantee any future returns nor represent the return of any particular investment option.

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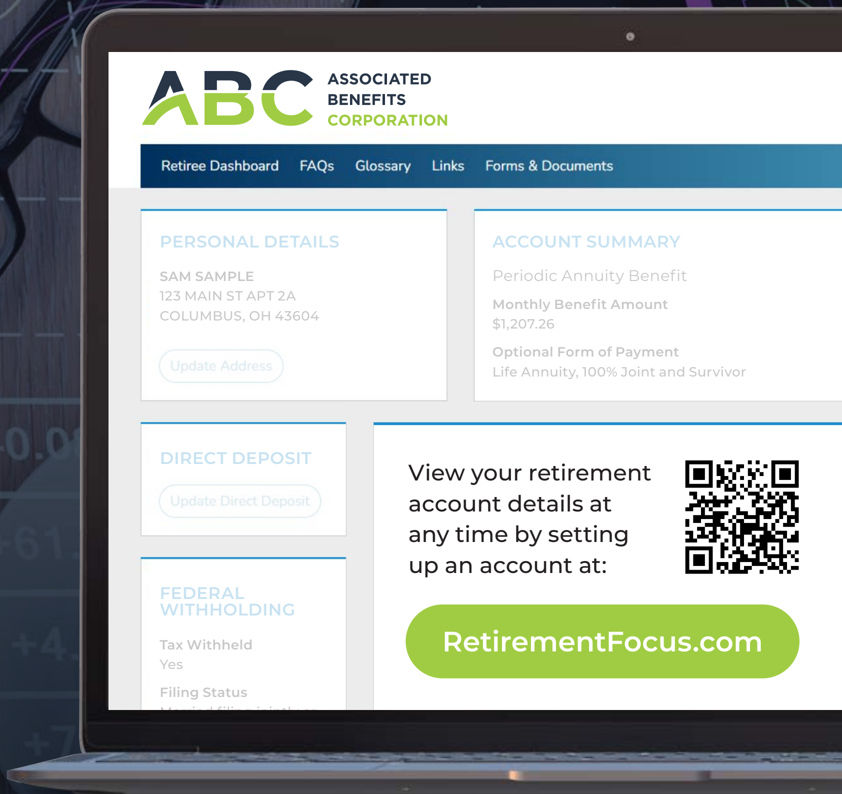
You Can't Predict the Future

BUT YOU CAN PREDICT YOUR PENSION PAYOUT



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