



Michelle Blair of the CHS national energy accounts team confers with New Century Ag fuel delivery driver Brandon Peterson on future needs of the DMVW railroad.

By Lani Jordan

Ask Glen Shipman about the fuel that keeps the Dakota Missouri Valley and Western (DMVW) railroad's 30 locomotives rolling across the prairie and you'll get the short answer: "I don't think about it."

That wasn't always the case. But since the North Dakota-based short-line railroad switched its fuel supply to a CHS-managed system that links it to three strategically placed cooperatives, there's a lot the DMVW purchasing manager doesn't worry about, including fuel outages, billing hassles, detailed reports, big repair bills and excess downtime.

"I've got better things to do with my day than worry about whether a locomotive has fuel. With CHS and these North Dakota co-ops behind me, I don't have to worry," Shipman says.

Running Better

Based at Bismarck, N.D., DMVW locomotives pull railcars of grain, fly ash, fuel, lumber and other cargo along 525 miles of owned and leased track spanning North Dakota and parts of neighboring South Dakota and Montana. The DMVW connects with major national rail lines that move

freight across the U.S. and Canada.

Maintaining a constant flow of the 1 million gallons of fuel those engines consume annually used to be a challenge that had Shipman relying on a patchwork of suppliers. That system sometimes left him with inconsistent service, poor fuel quality and a mountain of invoices to pay and track.

The solution came from an unexpected source. Jim Renke, energy manager for CHS Southwest Grain, Dickinson, N.D., saw an opportunity to leverage CHS resources and its retail energy network to meet

DMVW needs. He contacted the Country Operations national energy accounts team, which connected with three North Dakota cooperatives: Farmland Co-op of Oakes, Enerbase of Minot and New Century Ag of Crosby.

Not only has the co-op trio and CHS kept fuel flowing for two years, but the company's switch to Cenex® Ruby Fieldmaster® premium diesel fuel has resulted in improved economics, and "the locomotives are running better than ever," Shipman says. The premium fuel, along with a switch to Cenex 20-40 locomotive lubricants and hydraulic fluids, has helped



Tracking Energy

reduce costs for parts, filters and labor.

The three cooperatives have benefited from growth in sales and profitability. Each maintains a dedicated Cenex Ruby Fieldmaster tank equipped with monitors that ensure adequate inventory is always available.

“We’re not bogged down by internal things,” says Steve Ketterling of Farmland Co-op, who fuels a dozen locomotives a month. “The railroad can focus on its freight and other details and we can maximize our energy business.”

Tony Bernhardt, Enerbase

chief executive officer and general manager, agrees. “This has been a great way to pass off some of the details. It’s a great way to leverage the cooperative system’s passion and desire to grow.”

Going the Extra Mile

Located in the farthest reaches of northwestern North Dakota, New Century Ag had previously supplied the railroad, but found the logistics challenging, particularly since it also serves the rapidly growing Bakken region oil exploration sector. Becoming

part of a supplier team supported by CHS means, “We know we have the fuel we need when they need it,” says Barry Haggin, the co-op’s recently retired energy manager.

Orchestrating all this behind the scenes is Michelle Blair of the national energy accounts team. With the DMVW, as with many other CHS commercial energy customers that cover broad geographies, she makes sure the system functions smoothly from fueling to billing. She goes the extra mile, taking calls from engineers on weekends and

in the wee hours to schedule deliveries to remote locations.

Based in Sioux Falls, S.D., Blair counts on CHS Transportation, the refined fuels team and company support areas, such as legal and accounting, to ensure multi-supplier arrangements work.

The opportunities “are boundless,” Blair says. “There are so many places we can go to build relationships and coordinate between suppliers and customers. It’s a way to really add value.”

SEE MORE: Watch a video on the DMVW at chsinc.com/c.