



Two Rivers

Cooperative

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MISSION STATEMENT

"Two Rivers Cooperative Is Committed To Building Profitable Business Relationships Based On Integrity And Quality"

Two Rivers Cooperative

Pella, Iowa 50219

November, 2004



Crop Talk

By
Robby
Wilson

This fall our farmers are harvesting what I imagine for most is the highest yielding crop of corn and/or soybeans they have ever taken out of most of the fields on their farms.

If field-by-field yields aren't setting new records, then they certainly must be coming very, very close to whatever record had been established in previous years.

So many things have gone in our favor for this year's crop to reach this outstanding level of production, and indeed we can be very thankful for those blessings.

But while weather, rainfall and the lack of any significant insect threats have clearly played an important role, so too has the combination of using good management and utilizing the best of today's seed and agronomic technologies.

This year's remarkable corn and soybean yields give us a clearer picture of the productive potential we have when we combine the best of today's seed genetics with more intensive nutrient/crop management strategies.

And while it would be very unlikely to have too many years match the one we have just had for virtually stress-free conditions and ideal weather, I firmly believe this year has also shown us how much better we might expect our yields to be in the face of various stresses when we provide the best combination of genetics, technology

Please Mark Your Calendars & Plan Ahead

All Two Rivers Locations Will Be

CLOSED THURSDAY

NOVEMBER 25th

THANKSGIVING DAY

We Ask For The Full Cooperation

Of All Customers In Planning

Feed/Fuel & Other Business Needs Early

So All Of Our Employees Can Enjoy This Day

With The Members Of Their Family



and management season after season.

Obviously, it all begins with soil testing and/or grid sampling fields to determine the nutrients that have been removed to produce the crop, which for this year's corn and soybeans, should be significant rates.

We then need to follow up with a firm plan/strategy for supplying the nutrients needed to sustain a solid, profitable and economical level of production from each field when the next crop is planted.

And in developing this plan/strategy, I believe it is necessary for all of our customers to start being much more aggressive and pro-active in putting together their fertilizer application strategies.

A change needs to occur in how we approach crop production, performance and yield so instead of focusing on **"How Much Am I Going To Spend Per Acre?"** we need to instead be asking **"How Much Return Can I Get Per Acre From What I Spend?"**

After all, if your focus is on limiting what you spend on inputs up front to produce the crop, you risk limiting production, performance and yield by short-changing the crop of what it needs to maximize its full genetic potential for yield before you plant it.

Where would you have been this

year if you would have applied only enough nitrogen to your corn ground to reach a 150 bushel yield?

To produce big yields you have to plan to produce big yields, not just average ones, and you have to provide the inputs a crop needs to reach them.

And that brings me to fall fertilizer plans and programs, and believe me, if there was ever a fall when you wanted fall application of NH-3 and P & K to be a basic part of your crop and nutrient management strategy, this is one of them.

I say that because the outlook for fertilizer prices as well as issues of availability for next spring are very serious concerns throughout the industry.

If you have been following these situations yourself, you also understand why we firmly believe farmers can not and must not postpone supplying nutrients to their fields for the 2005 crop, because the consequences of doing so could be very, very costly.

The soaring cost of natural gas is one of the driving forces in this situation, and as of this writing the final week in November we already have the natural gas futures for Jan/Feb listed at a staggering - and record-setting -

CROP TALK

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Fuel Facts
By
Scott Bensink

We have a very hectic harvest underway all across Two Rivers Co-op Country at this time, and with this year's outstanding yields it looks like we'll be in for a lot more long days - and nights - in the weeks ahead.

As our manpower resources and equipment are stretched even thinner in the effort to handle additional volumes of grain so we can keep things flowing as smoothly as possible each day, the need to receive complete cooperation and advance planning and ordering of fuel for your farm takes on an even greater priority.

While we realize there can be emergency situations arise periodically, one or two "special/emergency trips" slows the entire process, changes schedules and creates delays for other customers the remainder of the day.

I am sure everyone would agree that by taking just a few moments to check inventories and then calling when supplies are running low - and certainly before the tank/barrel is virtually empty - we could eliminate the vast majority if not all of these time-consuming and costly trips.

I am also sure everyone can understand and appreciate the extra amount of time required, the added expense and the number of valuable man hours lost when we are asked to fill combines, tractors or trucks in the fields.

Two Rivers Co-op has a Minimum Gallon Delivery policy which relates to all forms of fuel/energy, and we are asking all customers to help us be more effective, efficient and economical in providing timely delivery of fuel/energy products to all by planning and ordering in advance so these situations can be eliminated as well.

With fuel expenses continuing to move higher, and with all the other costs associated with delivery of fuels/energy products to the farm also increasing, the full cooperation of all customers planning their fuel orders and ordering 24-48 hours in advance is needed to help us hold the line on our costs, to help us avoid raising rates, and to allow us to be more timely and efficient in serving everyone.

CROP TALK

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\$8.50 per million metric BTU's (mmBTU's).

That means in the past three years natural gas prices have gone from an average of \$2.92 per mmBTU's in 2002 to \$4.98 in 2003, and thus far in 2004 to an average cost of over \$5.50, and still climbing.

As we have noted in previous articles, particularly in those of a few years ago when our industry had its first encounter with run-away natural gas and, subsequently, run-away nitrogen costs, the cost of the natural gas used in manufacturing NH-3 accounts for between 80% and 90% of its total production cost.

In response to soaring input and production costs, with natural gas leading the way, plus ever-increasing and costly environmental legislation, over the past several years more than a dozen of the older, more inefficient NH-3 production plants in this country shut down permanently, with another half-dozen or so idled indefinitely.

Therefore, not only are higher costs an issue of great concern industry-wide, so too is the issue of availability, since more and more we find ourselves increasingly reliant on imports and all the accompanying related logistic issues, transportation and freight expenses, plus the increased pressures of competing in a global marketplace.

While nitrogen typically gets most of the media attention, it's not the only nutrient that has the industry concerned over cost and availability issues.

Potash supply, for example, has become increasingly tight as worldwide demand soars, particularly in China and South America, where expansion of agriculture is booming and creating a huge new demand for product.

And finally, we have phosphate, which, until Florida was hit by three hurricanes, had been fairly stable.

Unfortunately, phosphate prices are also heavily influenced by natural gas costs, increased demand worldwide and higher manufacturing and transportation expenses.

With these things as a background, I am sure you can appreciate me repeating myself when I say that we are very strongly recommending our customers look at trying to get as much of their N-P-K needs applied this fall as they can.

One program we have been visiting with our customers about and highly recommending in various situations is a split-application of nitrogen, using NH-3 at a lower rate applied in the fall with a spring application of liquid nitrogen, also at a reduced rate, applied alone or with chemicals prior to emergence in the spring.

This program is a solid economic choice in the face of higher N costs, has shown very good results, improved crop health and hardiness, and outstanding yields, and it's especially well-suited to use in the no-till fields.

And finally this month, with temperatures now falling to near 50 degrees and thus signaling the time when NH-3 applications can start, we want to again remind everyone that we need complete cooperation from all in sharing the NH-3 equipment.

Plan and schedule all NH-3 equipment needs with us in advance, and always remember there is someone on the waiting list who needs the equipment as soon as you're done.

So have the same consideration for that other person as you'd want to get if you were the one waiting by using the equipment when you take it out, and returning it promptly so we can keep it moving on to the next farmer.

Also, be sure you take a moment to check the equipment over before you start, after the first 20 acres or so, and then periodically as you complete your application.

Our people do the best they can to give all equipment a thorough inspection before it goes out and as it passes from farmer to farmer, but knives can plug, valves/controls and rate setting can get out of adjustment, hoses and fittings can become loose etc.

We have some of the best equipment around, and with your help we can keep it that way by taking good care of it.

FOR SALE
2,800 & 1,250
Poly Cone Bottom Tanks

50-Foot Steel Catwalk
See Dick At Otley
For Complete Details

REMINDER
Two Rivers Cooperative
ANNUAL MEETING
Will Be Held
THURSDAY
DECEMBER 16th
Mark Your Calendars Now

Seed & Stuff

By Jay Van Woerkom



There are many factors which have been favorable to the production of the huge yields we've been seeing coming out of the fields this fall.

Favorable weather, adequate moisture and the lack of any severe stresses working in combination with good management, today's advanced seed genetics and a solid nutrient management strategy have all played a key role in setting new yield records in field after field this fall.

With so many things going for the crop this season, planting seed with the genetic packages and types which are best adapted to high seed populations also made a huge difference.

As we've scouted customer fields this season, we have observed emergence rates as high as 97% on some of the hybrids planted, and as fall arrived we had perhaps the best final stands of both corn and soybeans going for us that we have ever had in many of those fields.

Proper seed placement and planting quality seed that gave us the best germination in the field were additional factors which contributed to these outstanding yields.

Treating seed to protect it from early season stress and disease challenges once again proved itself to be a valuable strategy, giving us hardier seedlings that had the best chance of overcoming early season challenges.

Stand counts on seed treated with Cruiser, for example, showed a 4% average increase in final stand counts.

Elsewhere Robby has mentioned that this has been a year which has shown just what kind of advantages, benefits and added value can accompany using the best inputs, management, genetics and technologies.

Looking at it from another angle, if you had any fields where the performance of the crop, the standability and yields came up noticeably shorter than they did elsewhere, it should also serve as a signal there is something which we should be able to identify as the culprit for holding the crop back.

For example, while no two years are ever the same, if your choice of

seed genetics has left you short of performance and yield expectations for this and/or other years, then it's possible a little fine-tuning of seed genetics and/or seed types/families may offer a viable solution.

Here at Two Rivers we believe that whereas others may fall short, our total seed package, which includes the quality lines and genetics from Monsanto, Croplan and NK, will offer you the best combination of performance, standability and yield year after year, even when planted at high planting populations.

Check the results from the Test Plots elsewhere and I think you'll see just what I'm talking about.

Feed For Thought

By Jason Smit



First of all, I want to assure all of the livestock producers I have been working with that even though my duties as Feed Department Manager require additional time be spent in the office, I will also do my best to

be in the country to work with you and your livestock operations as often as possible.

Joe Toillion will also continue to call on our pork customers, and hopefully the two of us can maintain a steady flow of direct contact and communications out in the country.

As of this writing we are putting together a program we call Land-To-Pork which will offer different investment opportunities at different levels of participation to put your corn through hogs to add value and increase the return per bushel.

We'll be visiting with you in greater detail about this program in the future, and I invite anyone interested to get in touch with Joe or me so we can present the details.

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Get The Most From Forage
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Test Plot Result Highlights

CORN

Chuck Birkenholtz Plot - Monroe		Paul Hjortshoj Plot - Monroe	
Hybrid	Yield	Hybrid	Yield
Pioneer 34N44	260.1	Croplan 643 BT	251.6
DeKalb 60-16	260.6	Croplan 693 BT	253.8
DeKalb 61-43	268.2	Asgrow 715	255.3
Asgrow 715	277.7	NK 70-F1	248.0
Asgrow 752	277.1	NK 79-22	253.3
Pioneer 33B51	273.6	Croplan 699	257.2

SOYBEANS

Danny Wichhart		Paul Hjortshoj Plot - Monroe	
Variety	Yield	Variety	Yield
Croplan RT 32513	69.4	NK 29-C9	71.4
Croplan RT 2963	62.8	Asgrow 2703	70.5
Croplan RT 2732	65.7	Croplan 2963	78.1
Croplan RT 2678	61.8	Croplan 2678	82.5

Glen Van Wyk Plot - Pella

Variety	Yield	Variety	Yield
Asgrow 3101	67.0	DeKalb 25-51	66.9
Croplan 3595	70.5	Croplan 2963	68.9
NK 35-A6	60.9	Croplan 2732	69.9
NK 29-C9	64.6	Croplan 3253	72.9
Asgrow 2703	65.9		



As I See It
By Tracy Gathman
General Manager

Has this year been **“The Perfect Year?”** I don’t think there is any way we could define this past season as an “absolutely perfect” one for our corn and soybean crops.

However, when you start seeing the kind of yields coming out of field after field that we’re seeing this year, my feeling is while the year hasn’t been a “purely perfect” one, it’s likely as close to perfection as any year could be.

Certainly there were a few early season setbacks the crop encountered with wet conditions.

And there were, of course, those acres that were either lost or had yield potential significantly reduced by high and/or standing water.

But beyond those obvious exceptions, this has been a year during which our corn and soybeans have lacked for and wanted for nothing.

It has been a year during which they have endured very little we could classify as stress-like conditions.

And I think you would also agree that it has been a year during which Mother Nature has provided all the key ingredients necessary in the right amounts, and at the right time, to bless us with as bountiful a crop as we could have ever imagined.

This has been a year during which our crop was spared from the various **“Extremes”** of too much of this or too little of that, which we often encounter along the way to one degree or another, to take a bite out of crop performance and yield.

It never got **“Too Hot”**. We didn’t have it become **“Too Dry”**.

And while there was a period of unseasonably cool weather during August that had the pessimists fretting about delayed maturity, yield reductions, stand quality and the impending doom from the possibility of an early-arriving frost, September and October have provided ideal conditions.

It is, after all, late October as I write this article, and with less than a week remaining before turning the page of

the calendar to November, we still have not had what you could call a **“killer frost”** strike.

If I remember correctly, it needs to be in the mid-20s for at least four consecutive hours for a frost to be classified as a **“killing frost”** and we haven’t had anything even close to that as yet.

I do believe I misspoke earlier, however, when I stated this has not been a year of extremes, since there are several superlatives which come to mind.

Obviously, the first is that we have all been **“Extremely Blessed”** to have produced such a bountiful crop of corn and soybeans this year.

Secondly, of course, the yields and volumes of corn and beans coming out of the field are proof positive that we have an **“Extremely Huge”** crop being harvested, and the combination of those two should make everyone feel **“Extremely Happy”** at the results of all the hard work, planning and commitments that have gone into this crop.

Third, I think we would all agree that the bounty of this crop is clearly exceeding even the most optimistic of our pre-harvest expectations, so we all have to be **“Extremely Surprised”** at just how big this crop is.

And that brings me to a fourth **“extreme”** to apply to this crop.

The very fact we have a crop with yields so high and production so large that it has exceeded even the most optimistic of expectations anyone could have had prior to this harvest beginning also means any/all of our pre-harvest plans and strategies have quickly become obsolete in the face of such **“Extremely Large Volumes”**.

As a result, handling this crop will be an **“Extremely Challenging”** process, but I can assure you that it is

one each and every one of the people of your Two Rivers Cooperative will be working diligently to meet in serving your needs.

As of this writing the ring at the Otley location is nearly full and we’re in the process of filling the bunker.

Our drivers have been struggling to deliver grain to the processors, all of whom have been plugged to the brim for over two weeks, and certainly will continue to be that way for many weeks as vast volumes of grain flow in from all directions.

Handling such huge volumes as these takes additional time, requires additional effort, and demands even better cooperation, teamwork, communications from everyone to properly manage the extreme logistics involved efficiently and, most importantly, to handle and manage the harvest safely!

It requires everyone operating together on the same page each and every day to keep things running smoothly and efficiently, especially when we encounter snags with equipment or delays from weather, which are bound to happen at some point.

It also requires that extra measure of patience and understanding from everyone, particularly as the harvest stretches out and people become more tired from lack of sleep, more stressed from the pressures of trying to keep pace, or frustrated when things don’t go as planned, all of which are also bound to happen at some point.

So in closing let me ask all of you once more to work closely with the people of Two Rivers each day, to be patient and understanding so we can all enjoy the bounty and blessing of this fine crop and all that it means for our farms, families, and our cooperative.

Two Rivers Cooperative
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