



# Two Rivers

Cooperative

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[www.tworivers.coop](http://www.tworivers.coop)

### MISSION STATEMENT

**“Two Rivers Cooperative Is Committed To Building Profitable Business Relationships Based On Integrity And Quality”**

Two Rivers Cooperative

Pella, Iowa 50219

December, 2005



### Crop Talk

By Robby Wilson

It seems every year the holiday season gets more hectic, with all sorts of community, school and church activities underway, numerous family commitments and obligations to attend to, and of course trying to tie up a lot of loose ends from the harvest season, fall field work and all the rest.

Considering all that's going on and all the demands on everyone's time and schedule, we felt that also trying to hold Open House & Pre-Payment Days before Christmas just seemed to be adding one too many more events to everyone's jam-packed schedule.

The holiday season is, after all, a time when people need to relax and enjoy themselves with their family and friends as much as possible.

It's a tiem when we all need to try to participate in as many of the activities and festivities that are underway in our communities, homes, churches and schools, and maybe set some of the pressures and stresses of business aside for just a bit to enjoy the spirit of the season.

We got to thinking, therefore, that since our Pre-Pay Prices & Programs have always been the same from the time they're established in mid-December until the middle of January, **“Why not just hold a Pre-Pay Wrap Up Open House in January?”**

After all, those who want to pre-pay crop inputs prior to December 30th to put expenses on the books in 2005

*The Two Rivers Cooperative  
Board Of Directors  
Employees & Our Families  
Extends Our  
**BEST WISHES  
FOR THE HOLIDAYS**  
To All Of You  
And To Your Family*



for tax purposes will still have the same opportunities to do so with us at their nearest Two Rivers locations.

And those customers who want to lock in the same attractive prices and best savings on those input needs after January 1st has brought us into the new year of 2006 can still do so by pre-paying their orders with us before January 20th.

This also gives us and our customers additional time to review soil test and grid sample information, look at different management strategies, evaluate the various chemical programs to see which offers the best fit, and go over all of next year's production plans for corn and soybeans in greater detail to make the best, most effective and economical decisions.

So that's what we're going to try this year, and hopefully it will prove to be a successful experiment having our Open House and Pre-Pay Days in January so everyone will have much more time for themselves, more time for the holidays, and more time to plan orders as well.

Now, let's put this additional planning time to good use.

With the recent snow putting work in the fields on hold for the time being,

we have the perfect opportunity for you to get together with one of our Agronomists to get things rolling on planning your 2006 inputs, plans and programs.

We have a great head start going for us already, thanks to the large number of acres of NH-3 that got applied this fall, and the large number of acres where we've been able to get lime and P & K spread as well.

And we'll naturally continue to spread lime and/or P & K during the winter, providing the fields open up again and we have suitable soil conditions, slope and cover to get these products spread for you.

Remember, the rule-of-thumb that's been proven is that as long as you're not losing soil to wind/water erosion, you won't lose the P & K or lime that are applied, even if you don't get it worked in, since these nutrients bond tightly with the soil they are applied to even if you apply them on ground that's frozen.

Something else we definitely feel you should all take time to visit with us about here at Two Rivers is the

**CROP TALK**  
Continued On Page 2



**Fuel Facts**  
By  
**Scott Bensink**

I am sure we're all pleased to see fuel prices starting to ease back some from the highs that we were experiencing during much of the fall season.

Gasoline inventories have been building up much faster than diesel inventories, since in every 42 gallon barrel of crude oil that's refined we get 18.5 gallons of gasoline but only 7.5 gallons of diesel fuel/home heating oil, with the remaining gallons from each barrel of crude being used for jet fuel, propane, heavy oils, etc.

There was also a significant "hurricane premium" that had been built into the market as speculators pushed nearby prices and basis levels both higher, and that's another factor out of the picture for now.

For the next few months, at least, weather will more than likely play a key role in whatever price movement we'll be getting in our fuels market, so I don't look for there to be too much more softening of prices as colder weather seems to have settled over the nation as December arrives.

If the winter season starts shaping up to be a severe one, especially out east where so many of the big industrial plants turn to heating fuels to supplement energy rather than using the other expensive energy sources - high-priced natural gas in particular - it's likely prices will start pushing back up.

Fund buyers and speculators could also play a substantial role, particularly if they are once again driven to turn to our fuel/energy markets as centers for making faster profits than they can capture in the financial markets.

So the bottom line outlook is, as it has pretty much been for some time now, for our fuel and energy marketplace to remain somewhat volatile, therefore prices will continue to be unpredictable and uncertain.

I have been getting a few calls from customers asking if we will be having a **Spring Diesel Fuel Contract** and pre-pay opportunities for their needs prior to the end of the 2005 year for tax purposes.

To answer those people, and those who have similar questions they just

haven't asked yet, it's **YES!**

I expect by the time you are reading this we will have established a **Pre-Paid Contract for Spring Diesel**, and I would encourage you to contact us for the full details and, most importantly, I encourage you to **Contract Early** to lock in supply and price.

Something I think all of our customers should understand is that when we offer a pre-paid contract price for any fuel/energy product, that price is based on a limited supply of gallons which corresponds to a supply and price we have been able to lock in from our suppliers.

Just as soon as the gallons we have locked in from our suppliers have been committed to customers who have signed pre-paid contracts, the contracting price and terms are subject to change.

So again, please keep in touch with us for details on our **Spring Diesel Fuel Contracts**, for March, April and May delivery, and be sure you **Contract Early** to lock in your needs and price with us to eliminate the risks, uncertainty and volatility of being unprotected in the open market.

At this time the LP Team is running the Keep Full Route System, and with the arrival of cold weather pushing usage higher, I again remind and encourage everyone, even those on Keep Full, that it's always a good idea to periodically check your inventory so you can be sure there's an adequate supply in the tank to cover your usage until the driver arrives.

And if you're one of the customers who call in orders, remember that same day delivery costs you more, and running out means the system must be inspected and pressure-checked at a substantial cost to you before it can be refilled, making it well worth your time to check supply regularly.

Thanks to all of our customers for your continued support, and on behalf of the Fuels/Energy Team at Two Rivers, we hope all of you will **Have A Save & Happy Holiday Season.**

**CROP TALK**

**Continued From Page 1**

tremendous growth that has been taking place in our Precision Farming Programs & Services, which include:

\* **Grid sampling fields** to get an accurate evaluation of the variable rates of nutrients that will be needed in different parts of the field to enable you to reach maximum productivity throughout the field by applying the proper rate to each 2.2 acre grid all across the field.

\* **Applying lime and/or P & K using Variable Rate Technologies (VRT)** so that your nutrient investments are going where they are needed most, where they will generate the maximum crop response, and thus result in the maximum yield.

\* **The use of our Outback Guidance Systems** that allow you to further fine-tune crop management to virtually eliminate costly skips and/or costly over-lapping, identify where those yields are coming from and/or where they're coming up short.

Every customer that puts these technologies to work in a field, and who then sees the results they deliver, the savings they make possible through increased efficiencies, and the returns they generate for the farming operation, keeps adding more of his farming operation acres each year to those where these Precision Farming Programs & Services are used.

There's no better proof that the results these customers are getting are making a significant difference for them than that, and I say again, if you have not explored these programs and services with us, you owe it to yourself to do so now!

In closing I'll extend my personal thanks and that of the entire Agronomy Team here at Two Rivers to all of you for your support and business throughout this past year.

**Best Wishes To All** for a most joyous and safe holiday season from all of us in your Agronomy Team.

**Attention Farm Ladies - A Special Series Just For You**  
**ANNIE'S PROJECT**  
**"A Risk Management Series For Farm Women"**  
**A 6-Week Informational Series With Sessions Held**  
**January 24th & 31st \* February 21st & 28th \* March 7th & 14th**  
**Total 6-Class Series Costs Only \$50.00**  
**Registration Details & Other Information Available**  
**At The Mahaska County Extension Office**

**Seed  
&  
Stuff**  
By  
Jay  
Van Woerkom



With the virtually ideal fall weather we had that enabled harvest to progress so smoothly and swiftly, and, once concluded, the direct transition into soil testing, grid sampling, fall NH-3 applications, lime and P & K spreading, it has been a very busy and hectic time for everyone.

I therefore apologize for the lack of time that has been spent on addressing seed issues for and with our customers, though I am sure we all agree everyone needed to get as much done in the fields as we possibly could while we had such great weather and field conditions for that work to progress.

I also want to express my deepest appreciation to everyone for the patience and understanding that has been extended with our seed programs and services being more or less put on hold for a time.

Most importantly, I want to thank everyone for the tremendous cooperation and communication that has enabled us to get a significant volume of seed orders processed in a very short period of time.

In fact, a large number of our customers have a large percentage of their primary preferences for soybean varieties and/or corn hybrids already reserved with us from the outstanding lineup of seed products we represent in the Asgrow and Dekalb (Monsanto), Croplan Genetics and NK (Syngenta) seed lines.

As I am sure all of you are aware, all seed companies, including the ones mentioned above, have their own unique schedule for discounts, pre-pay orders, early booking orders and other deadlines, some of which would have normally expired by now.

However, I am pleased to announce that with the cooperation of our seed suppliers, we are able to **Extend Our Early Order Cash Discounts** until mid-December so you can still lock in the best pricing, biggest discounts and of course the supply of the top seed products from these three leaders in seed genetic traits and technologies.

Please contact your Two Rivers Agronomists soon to discuss your seed

needs, to look at the different products and programs we have available, and to capture **The Best Savings Possible** by placing orders with us to lock in seed supply choices for 2006.

**NEW PROGRAM:** Agri-Edge is offering a unique program for 2006 for customers interested in conducting a seed treatment (fungicide/insecticide) trial in their fields.

Up to 80 acres can be included in a 40/40 split between treated and control acres, with full yield protection guaranteed.

We will have additional information to present on this program at our January Seed Meeting, or you can contact any Two Rivers Agronomists before then if you have questions or are interested in additional details.

**SEED TREATMENT:** We are investigating additional commercial seed treating equipment for the 2006 season to provide our customers with added value and service.

Treatments offered would include Warden RTA, Cruiser Max Pak and seed inoculation services, so stay tuned for more details.



**Feed  
For  
Thought**  
By  
Jason Smit

With the shortened work weeks of the upcoming holiday soon to arrive, your cooperation in planning and ordering your feed needs this month takes on greater importance, and will be sincerely appreciated as well.

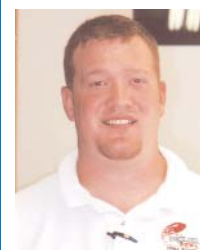
Make it possible for the hard-working delivery people to spend as much time with their families enjoying the many activities of the holiday season ahead by planning your needs with us so they can get all the orders out in the most timely and efficient manner, and thus have as much time as possible to enjoy the season with their family.

Some customers have inquired about pre-paying feed to put live-stock production input expense on the books prior to year end.

I'll be trying to make as many farm calls in the country as possible to go over the details of these and other programs/services we're offering, but it will be impossible to see everyone in the short period of time that's available.

Therefore, if you're interested in placing orders for feed to lock in these attractive pre-pay savings, please don't hesitate contacting me so I can be sure you get all the information, whether it's by adding your place on my stop list, or giving them to you over the phone.

Thanks to all for their continued support and business, and we hope all of you have a safe and joyous holiday season.



**The  
Beef  
Report**  
By  
Mitch Kennedy

Cows are entering the critical 3rd trimester of pregnancy, and since she's now **"Eating For Two"** this is no time to come up short on meeting protein, mineral or energy requirements.

If your goal is a successful calving season in the spring, one with healthy cows with a high condition, and a healthy calf crop too, then you will be absolutely sure your feeding program includes proper supplementation to bridge the nutritional gap forages may not be covering.

We are therefore **Continuing Our Tub Specials** to give you an additional opportunity before the end of the year to **Stock Up & Save 10%** on all in-stock tub products, and to take your choice of **1 Free Tub for every 10 purchased**, or have your tubs **Delivered Free!**

**Holiday Hours At All Two Rivers Locations**  
**CHRISTMAS HOLIDAY**  
Closed Saturday - Monday December 24th to 26th  
**NEW YEAR'S HOLIDAY**  
Closed Saturday - Monday December 31st to January 2nd  
*Please Plan Your Business And Farm Supply Needs Accordingly*  
*For These 3-Day Holiday Weekends*



**As I See It**  
By Tracy Gathman  
General Manager

On behalf of the Board of Directors and all of the cooperative's employees, I want to extend our thanks to all of the members who were able to join us for the December 5th Annual Meeting of the Two Rivers Cooperative.

As I am sure you have heard me say in the past, the Annual Meeting is always a very special occasion and one of the highlights of the year for me.

It's an event I always look forward to, since it gives all of the members of our Cooperative Family an opportunity to come together and share a fine meal, and to see and hear about the performance of your cooperative over the past fiscal year of business.

The Annual Meeting is even more enjoyable and special when we have the opportunity to present you, the members, with the report of a positive, profitable year of growth and business.

This past year was such a year, and we feel all of you can be proud of the cooperative's performance and your role in making it a good year for Two Rivers.

There are, as always, a great many facts and figures contained within the pages of the financial reports that are distributed to the membership at the Annual Meeting, and which are discussed in detail during the presentation that is given in discussing the year we have just completed.

For those unable to attend, I will just briefly touch on some of the highlights here and, if anyone who was not able to be there would like a more detailed review, we have extra copies of the financial reports available upon request at all locations, so feel free to stop by and pick one up to review at your leisure.

**Total Sales** for the fiscal year ending August 31, 2005, reached **\$31,630,923**, which is an increase of some \$2.86 million from the previous year's sales total of \$28,769,150.

All departments contributed to this increase with increased volumes and/or sales totals for the past year.

For example, we handled nearly 650,000 bushels more grain, showed good growth in our total feed volumes, had an approximately 800 ton increase in total fertilizer sales, which includes N-P-K products as well as lime, and recorded an increase of some 160,000 gallons in sales of fuel/energy products.

As a result of this positive growth, we ended the year with **Local Savings** of nearly **\$210,000**, which is up by approximately \$137,000 from the previous year's local earnings of \$73,000.

When local savings are added to this year's patronage income received from our regional associations, which this year amounted to \$312,487 or over \$104,000 more than a year ago, it gave your cooperative **Pre-Tax Savings Of \$522,385** for this past year, which represents an increase of nearly \$242,000 above last year's savings.

The bottom line for this past year was \$406,944 in total savings after our taxes were accounted for, and out of this the Board allocated a total of **\$128,812 In Patronage Dividends** to the membership, **30%** of which, or **\$38,644, Was Paid In Cash.**

As the results from this year clearly show, positive years and a positive, profitable bottom line depend heavily on generating positive growth, and that's as true for our cooperative business as it is for your own farming businesses.

By providing the support and business to generate growth in sales and/or volumes, the members and patrons of Two Rivers Cooperative are themselves responsible for whatever success and growth takes place at their

cooperative.

Therefore, as I noted above, the figures I have just mentioned and the growth in sales and savings that were achieved this year should be a source of pride for all of you who made them possible.

Likewise, I hope you are pleased not only with this past year's performance of your co-op, but that you are also as determined as we are to use it as a foundation from which to build the momentum for additional growth and success for this current year of business, and on into the future.

A very good fall crop and a fine season of fall field work has put us in a good position to start this current year, and as the weeks and months unfold before us, we will be counting on you to sustain the momentum your cooperative has going for it with your continued support and business for the products, programs and services we offer to serve your needs and those of your farming operation.

In other business transacted at the Annual Meeting, the membership elected Steve Nunnikhoven, Arvin Vos, Dave Willemsen and Stan Woody to the Board of Directors.

I also want to note that once again this year the membership had the opportunity to cast their vote for the candidates of their choice using Mail In Ballots, a new procedure your Board introduced just last year.

This has proven to be an overwhelmingly popular means of conducting the Director Election, as we had 130 ballots mailed or brought into us prior to the December 3rd deadline.

Thanks again for your support and business, and **Best Wishes To All** for a **Safe and Joyous Holiday Season.**



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