



# 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

June, 2005



## Crop Talk

By  
Robby  
Wilson

I guess the first place to start this month is with the topic we've all been talking about, worried about and planning for over the past 6 months or so - Soybean Rust.

As of this writing heading into the final weekend of May, Two Rivers has had some 15,000 acres committed to using fungicide products by our local producers, and a number of those individuals have already taken all or at least a portion of their fungicides home with them.

The last report I read indicated activity of Soybean Rust spores has been identified in the southern half of western Georgia, and thus far that is as far north as it has been found.

This appears to be positive news, since the “experts” in the disease field anticipated this fungal disease would have spread farther north by the end of May than it has.

At this stage of the game it would appear Mother Nature has played a significant role in keeping Soybean Rust in check and confined, but as we all know from past experiences, Mother Nature can also turn on us in a hurry, and it is still very early in the grand scheme of things.

Thus the question of rust is still an up in the air sort of issue as to the extent it will be a factor in this first season following its arrival into the U.S.

And perhaps for this first year the northern half of the country, where



### CONSTRUCTION PROGRESSING WELL

*The 12-inch rock base for the new bin under construction in Pella was being smoothed by our construction crews as we go to press this month.*

the appearance of Soybean Rust will be a season-to-season question with numerous variables involved, could be spared until the fungus becomes more geographically established.

One thing we can't discount, however, is there has been a lot of information and valuable data brought into our hands as we have become more keenly aware of the role played in crop production by diseases like Soybean Rust, and the management that can be used to protect our crop yields from these disease and the losses they create.

I've reviewed enough data, attended enough meetings and talked to enough people in-the-know about these issues to understand that fungal disease is likely one of the factors involved in our soybean yields hitting the wall and coming up short of expectations in recent years, and thus disease control needs to be included in our management plans right along with weed and insect control/management.

What it boils down to is a **Seven-Seven Proposition**.

Our Quilt representative has been involved in soybean disease research for the past 7 years, conducted on

some 7 million acres of soybeans, and the results have been a consistent increase of 7 bushels per acre when a fungicide is strategically **Applied At The Right Time**.

Even with Soybean Rust removed from the equation, your yield potential can be increased by a solid 7 bushels per acre by controlling such common and yield robbing diseases as Bacterial Blight, Downy Mildew, Frog-Eye Leaf Spot and Brown Spot.

The ultimate key is to get your fungicides **Applied At The Right Time**, and that is between the R-1 and R-3 stages of the soybean plant, with R-1 defined as the stage when the blooms are first being set, R-2 as full bloom, and R-3 as the stage at which pods begin to appear.

We therefore recommend you go ahead and apply your fungicides to match this critical timeline, and further recommend that with the potential of Soybean Aphid populations projected to be **Three Times Greater** than those we faced a year ago, you also

### CROP TALK

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

As Two Rivers area farmers begin to wrap up their 2005 crop planting chores, the Fuels & Energy Team here at Two Rivers is already looking ahead to make plans and preparations for the next peak period of demand that comes along in the fall.

In doing so, we're facing some added concerns and challenges in the marketplace due to the increased potential for supply problems at pipelines and terminals.

For this reason, we feel it will be in everyone's best interests to plan ahead and to make decisions well in advance for the fall.

As many of you may have read if you keep pace with fuel industry issues, this coming summer the diesel fuel industry will once again be reducing the sulfur content of diesel fuel to meet EPA specifications.

This initial phase will involve highway diesel fuel products, with the process of lowering the sulfur content in ag diesel phased in later.

The supply problems and concerns for the upcoming fall season have developed because diesel fuel refineries will need to be suspending virtually all production to re-tool their systems to produce the lower sulfur products.

That alone gives us plenty of reason to be concerned about maintaining a continuous level of supply once the peak use season of fall harvest arrives.

But there is more.

The continued volatility of fuel prices, along with the same sort of uncertain supply and demand issues that have plagued the market to keep prices under pressure all year, have just added more reasons why it will be even more important for all of us to take control of managing our fuel and energy inventories.

We have therefore made the decision to launch our **Summer Diesel Fill & Diesel Contracting** programs earlier this year to provide greater opportunities and added flexibility for our customers.

If you fill your on-farm inventories **Between Now And July 31st**, you will have your choice of receiving a **3-**

**Cent Per Gallon Cash Discount**, giving you an added penny per gallon savings above the regular two cent cash discount for payment received within 10 days of delivery,

Or you can choose to have **Payment Deferred Until September 15th.**

To also help you in managing your diesel fuel inventories and to create opportunities for additional savings on your fuel inputs, we are also opening our **Diesel Fuel Contracting** program to enable you to lock in a price for gallons delivered to your farm during the period September 1st through December 31st.

The Two Rivers Co-op Energy Team will also begin **LP Summer Fill** early, with our drivers ready to start running the routes beginning on June 1st and continuing through July.

Plus, we've opened up our **LP Contracting** program that let's you lock in your fall/winter needs for the 2004/05 heating and grain drying seasons.

Let me close by again saying that at Two Rivers we firmly believe the changes that have taken place in our fuel and energy markets in recent years, along with the increased volatility and uncertainty we have been experiencing with prices, supply and demand issues, the increased speculation in these markets, makes it crucial for Two Rivers and its customers to seize control of managing our own inventories to create added flexibility and savings.

**CROP TALK**

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include an insecticide with your treatment to save a pass while controlling bugs and diseases.

The fungicide we'll be using is Quilt, which offers both Preventative and Curative advantages in the face of Soybean Rust when applied at 14 ounces per acre along with a gallon per acre of Crop Oil for every 100 gallons of water.

Please continue to check with us for additional updates on Soybean Rust and any other questions you may have

about disease management and treatments to control them.

**HAY GROUND:** Alfalfa fields have had slow growing due to cool weather, and there could be as much as a 25% reduction in quality and yields from this first cutting.

We are strongly recommending the stand be scouted following the first cut to check for Potato Leaf Hoppers and Alfalfa Weevils, the damage from both of which will be clearly evident so you can plan to spray controls.

We also recommend fertilizing to boost yield and quality for the next cutting, and your Two Rivers Agronomists will be more than happy to provide P & K recommendations for your alfalfa stand.

**SCOUTING:** As Jay has talked about in greater detail, the next 2-3 weeks will be Prime Time for Scouting Cutworms, so **Get Out There!**

No-till fields that have some green in them, as well as waterways, river bottom ground, areas along creeks and anywhere there's greenery will attract moths as egg-laying sites, so pay special attention to corn adjacent to those.

Also take time to **Scout Your Herbicides**, since this cooler weather and the variable amounts of moisture can affect activation and performance.

**A FINE JOB:** In closing this time I just want to recognize the entire Agronomy Team for the long hours they're putting in and hard work they have been doing to keep things progressing smoothly and steadily for all of our customers each day.

These people are Two Rivers' best asset - **And Yours** - and their dedication to customer service is **Second To None!**

**Check The Two Rivers  
Web Site Often**  
**[www.tworivers.coop](http://www.tworivers.coop)**  
**Scouting Tips**  
**Disease Updates**  
**Insect Updates**  
**And Of Course The Latest  
News On Soybean Rust**

**Two Rivers Money-Saving Fuel/Energy Programs**  
**DIESEL FUEL**  
**Summer Fill Begins 6-1**  
**Fall Contracting**  
**Now Being Offered**  
**LP GAS**  
**Summer Fill Begins 6-1**  
**Fall/Winter Contracting**  
**Now Being Offered**  
**See "Fuel Facts" Article For Additional Details**



**Feed  
For  
Thought**  
By  
**Jason Smit**

Two Rivers Cooperative has once again developed an outstanding and convenient program that will enable our beef producers to lock in the best pricing opportunities for the calf creep rations they will be feeding this season.

To get in on the tremendous savings and money-saving discounts we're offering for 2005 creep feeds, the customer will need to fill out a Feed Agreement Form with us.

Any of the Feed Team will be more than happy to work with you on calculating your orders and getting this form completed.

We are also once again offering our **Special Money Saving Promotion** on **Pro Phos 8 Mineral** and our new **Rangeland Weatherized Mineral**, giving you **1 Free Bag With Every 10 Bags Purchased.**

Customers who take delivery of their minerals will receive their free bag along with the delivery of each ten bags they have ordered.

If you prefer to extend delivery out rather than take delivery all at once, it will be necessary to sign a Feed Agreement Form.

**OPPORTUNITY:** I am pleased to announce we have some new and very exciting business opportunities now available for our customers to consider, ones we feel provide significant benefits for both the short and long term future of your farming operation.

Among the most exciting things these opportunities provide is the flexibility of choosing the particular level at which you wish to participate, since there are several options to choose from. The options are:

**1. Traditional type contract - Landowner owns the building, provides labor and receives manure.**

**2. Landowner owns building and receives rent and manure. Labor is supplied by the owner of the pigs.**

**3. Landowner sells site, investor builds building and provides labor, landowner receives the manure.**

**4. Landowner sells site, an investor builds building. Landowner receives manure and gets paid for caring for the pigs.**

As you will note in reviewing these options, the one constant for the participating individual is receiving the manure from the building(s) to utilize the nutrient values for crops.

In visiting with producers from other areas who have become involved in any of these various options, the vast majority of them have stated their decision to do so was heavily influenced by the value of the manure these facilities would be generating for their farming operation now and for the future.

I am sure many of you would also find this to be a very important proposition, especially if you have evaluated the on-going changes in the nutrient marketplace as we continue to transition more and more each year into a global-supplied marketplace.

When you do, you will see, as I am sure these other participants have, that the soaring costs of all nutrients is directly linked to the tremendous surge in global demand for N-P-K, especially in countries like China and Mexico, and clearly this trend will continue to drive prices higher for the future as demand pressures world supplies.

In addition to the value of the manure, these opportunities will also generate additional farming income, build equity in the farming operation, provide you with a very attractive investment opportunity, plus all of the tax benefits and a nice return on your investments.

There are financing packages with low down payments available, plus long-term contracts are being offered, and I encourage you to contact us now so we can meet with you to cover these opportunities in greater detail, answer any questions and discuss some of the more specific issues you may be interested in.

**Seed  
&  
Stuff**  
By  
**Jay**

**Van Woerkom**



As Matt has been scouting area fields, he has been seeing some clear and readily apparent advantages in those which had seed treated with Cruiser Max Pak, the latest insecticide treatment strategy to protect soybean seed.

We have a number of trials with Cruiser Max Pak out in our area this season, and there are currently some pictures on the Two Rivers web site which will show you how well it has been working to protect our emerging soybeans from Bean Leaf Beetle feeding.

Speaking of insects, you need to be scouting all corn fields at this time for signs of cutworms feeding, and continue scouting them for the next 2-3 weeks.

There were significant numbers of moths in traps this spring, and egg laying was probably extended out over a longer period due to cool April/May temperatures, meaning the threat could also last longer.

Any re-plant corn could be extremely vulnerable as well, so timely scouting will be a must!

Also be sure you properly distinguish between black cutworms, the ones that cause the damage, and dingy cutworms, the ones that cause no threat to corn.

Your Two Rivers Agronomists can advise you how to tell the difference, or you can check our web site for pictures.

Corn should be scouted until plants reach the V-5 stage.

**Are You Interested In  
Attending This Year's  
WORLD PORK  
EXPO?**

**We Have Free Passes  
To The Land O' Lakes  
Exhibits & Luncheon  
In Des Moines June 9 & 10  
Contact Jason At Two Rivers  
For Your Free Passes**

**SEED RETURNS**  
**Corn/Soybean Seed Return Deadline Is**  
**JUNE 15 2005**

*To assure proper credit can be given, please have any corn/soybean seed you need to return brought back to Two Rivers by this deadline. Your cooperation will be sincerely appreciated.*



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

Fall harvest. It may sound strange to be talking about that particular subject right now, with the 2005 crop just barely in the ground and obviously so many, many things that can happen between today and the time fall harvest gets underway.

There are, I can assure you as I look a bit farther down the road to this fall's harvest in particular, a number of things that we will need to happen between now and then, because this year we could all very well be facing some very unique and very challenging situations, depending on how things play out over the summer.

For one thing, we all know that a record crop was produced last fall, one that the industry is struggling to come to terms with and handle some 6-8 months later.

One of the most pressing issues, in my opinion, is the huge volume of corn that needs be marketed, moved and somehow find a home in the relatively short period of time we have left before fall arrives.

I am also concerned about the prospects for there to be extreme pressure on storage space to handle the new crop if we raise anything near a normal crop this year.

To explain my storage concerns first, consider that a year ago the Two Rivers Co-op began harvest with our storage space virtually empty, and we all know how quickly the huge 2004 corn crop and the significant increases in beans harvested overwhelmed the space we had.

At this time we have some 600,000 more bushels of corn on hand than we did at this same time a year ago, and it would be my guess most of you have more corn in your farm bins at this time than you did last year too.

Therefore, we have just a little over three months in which these bushels need to be marketed and moved into the marketplace, and I firmly believe you need to be looking for and taking

advantage of each and every opportunity the market gives you to get your old crop sold.

Unfortunately, I don't expect there to be many more opportunities coming our way, unless we have some sort of major and widespread weather problem with this year's crops.

Yes, it's been cooler than we might have wished for. But the crop went in early, it has had ample moisture, and for all practical intents and purposes everything seems to be progressing nicely at this stage of the season.

Therefore, the prospects for us to raise a decent crop look respectable, and thus far at least we really haven't had any hint of a weather market rally, though there's still ample time for one to come along in the next 4-6 weeks.

Secondly, the projections for carry-out keep increasing as demand struggles, and with corn carryout now in the 2 billion bushel neighborhood, and soybean carryout perhaps triple last year at nearly 400 million bushels, the market and our commodity prices will continue to feel downward pressure from these burdensome supplies.

And that brings me back to getting the crop we have marketed before we're right up against a new crop coming on.

Make no mistake about it, the processors who create the market for your crops have a good handle on the volume of bushels that remain under farmer ownership in storage on the farm and at country elevators.

They also know those bushels will need to find a home sometime between now and fall to make room for the new crop, so eventually they know those bushels will ultimately be moving their way.

Therefore, they can and will narrow the basis so that bids are closer to the Chicago Board of Trade's price to stimulate grain movement and attract whatever bushels they may need to cover their needs and/or to stock up on supplies to satisfy projected needs.

Then, just as soon as the processor is comfortable with the level of ownership it has been able to accumulate with a narrow basis, he will widen the basis, perhaps significantly, to shut off the flow of grain.

And with each passing day bringing us that much closer to new crop hitting the marketplace, and likewise reducing the number of days left for the old crop to be marketed and moved, the processor's use of the basis will continue to take on added significance.

One thing which I can be absolutely certain will happen at least once between now and September 1st is there will come a day when the corn bid will move higher on the Chicago Board of Trade and, at the very same time, the price we are bidding for corn will move lower.

Unfortunately, I feel it may be much more of a common occurrence than that considering the fundamentals of our huge carryout projections and the large volumes of corn which must be moved in the next 3 months.

The earlier you get started on this task, the better it will be for everyone, so I once again encourage all of you to be watching very, very closely for opportunities to price and move bushels out.

**Please Plan Ahead**  
**Two Rivers Co-op Locations**  
**CLOSED MONDAY, JULY 4th**



**P.O. Box 47**  
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