



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

October, 2005



Crop Talk

By Robby Wilson

There are probably few areas, if indeed there are any, so vital to our supply of major crop production inputs as the area along the Gulf Coast.

Much of our crude oil arrives from overseas to facilities at various ports in states like Louisiana, Mississippi and Texas, where it is not only refined into gasoline and diesel fuels, but also supplies the petro-chemical industry.

A tremendous amount of our natural gas also comes into facilities in that area, where it is used to manufacture the various forms of nitrogen we use.

Potash and phosphate also make their way into ports along the Gulf, much of it then being shipped via rail and/or barge up river to the Grain Belt states of the Midwest.

You've been watching the news just as we have, so it should come as no surprise to anyone that with all of the destruction, devastation and disruption that is being caused during the 2005 Hurricane Season, we are bound to experience an impact on the supply, the transportation and, ultimately, on the price for all of these inputs.

Perhaps the biggest frustrations we feel as these events unfold is not knowing how great the impact will be nor how long it will last.

So what can we do?

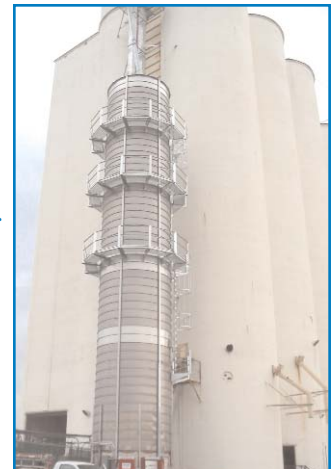
I've always been a firm believer that when we're facing things beyond our control, such as the events that have happened in the Gulf, our best course

Thank You To Director Steve Nunnikhoven

At a spring meeting of the Board of Directors when the decisions were being made to purchase a new grain dryer and add to our grain storage capabilities at Two Rivers, Director Steve Nunnikhoven called the attention of the Board to an article he had recently read that reported on the availability of USDA grant funds for rural development projects which met specific energy efficiency improvement requirements.

Two Rivers submitted an extensive application to be considered in applying for a grant, and we have recently received notification from the office of Congressman Leonard Boswell, who represents our House District, that we have been awarded a grant of \$50,000 to be used for our grain dryer.

Steve's foresight and timely notification to the Board has thus saved Two Rivers a substantial amount of money, and we felt it appropriate to recognize and thank Steve for the role he played in making this possible.



of action is to concentrate and focus even more heavily on dealing with things we do have the ability to exercise control over.

The bottom line objective when you are farming - raising corn and soybeans - is and always has been to **“Raise Bushels”**.

Taking it one step further, it is to raise the most bushels per acre, for the most economical cost per acre, so you are able to capture the best possible return from every acre planted.

Therefore, while it can be very easy, and in some cases too easy, to get caught up and/or side-tracked with the market price for corn and/or soybeans, or to dwell on higher costs for fuel, P & K, nitrogen and other inputs, you must never get so overwhelmed you lose sight of the ultimate goal for every farm and farmer - **“Raising Bushels!”**

The surest way to fail is to **“Plan To Fail.”** The only way to be successful is to **“Plan For Success.”**

Putting a limit on crop inputs

and/or management in hopes of reducing costs may enable you to save some small portion of your total input expenses, but what might you also be sacrificing in the process?

Can anyone afford to knowingly sacrifice bushels per acre right out of the starting gate?

Can anyone be satisfied with a 150 bushel per acre corn crop or a 35 bushel per acre soybean crop when fields have the capability of so many more bushels per acre?

And when the market is **“Paying For Bushels”** is there anyone who doesn't want to have the maximum number of bushels he/she can produce available to sell to the market?

Just the other day the LDP on corn reached 40 cents per bushel, which shows us that even when the Board price is under pressure, the name of the game is still having the most bushels to capture the best return.

CROP TALK
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**Fuel
Facts**
By
**Scott
Bensink**

Just when it seemed the Gulf Region, the petroleum industry and fuel/energy prices were starting to stabilize following the destruction and disruptions caused by Hurricane Katrina, along comes another hurricane, this one called Rita, to rekindle the volatility all over again.

As of this writing they are still sorting things out along the Texas and Louisiana shores where so much of the nation's crude oil receiving and refinery assets are located, therefore it will probably be a couple of weeks of volatility, uncertainty and unstable prices ahead.

I don't think there's any question in anyone's mind that high fuel and energy prices are with us and that they are going to stay with us for at least the foreseeable future.

While dealing with higher fuel and energy prices is something none of us like to endure, the bigger issues which should concern all of us in the aftermath of these storms is how much of an impact will this damage have on the supplies we need as we enter the harvest season and cooler weather starts to arrive.

It has always been important, and we have always promoted, that our customers maintain a good inventory of fuel and energy products on the farm at all times during the peak-use seasons.

We feel that as a result of all that's happened in the Gulf recently, and all the questions and uncertainty that have been created with refinery capacities and capabilities, it will be more important than ever to avoid letting your tanks and barrels run too low.

I would further suggest that everyone also focus on the importance of providing the Fuel/Energy Team with a **Minimum 24 Hours Advance Notice** so we are able to plan our delivery schedules, route the trucks by area for maximum efficiency, and thus be better able to manage our costs - and yours - for delivery of products to the farm.

I touched on this in my newsletter article in September, and now I am

once again sending out this request and asking for the **"Full Cooperation"** of everyone so we can provide each customer with the most timely, efficient and effective service, while at the same time managing our costs and labor expenses so we do not have to adopt more costly and mandatory order/delivery requirements now or in the future.

All it takes is a little planning and forethought on your part to make this process work smoothly and efficiently for everyone, and I can assure you that your cooperation in providing a **"24 Hour Advance Notice"** when you place your orders will not only make a huge difference, it will be sincerely and genuinely appreciated.

Please do not hesitate picking up the phone or stopping in to visit with me if you have any questions, and again, please help us provide everyone with the most timely and efficient fuel and energy delivery services, at the most efficient cost, so we can help control our expenses and ultimately help control your expenses too.

CROP TALK
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Fall is the time of the year when your **"Plan For Success"** needs to start taking shape in your fields, and your Two Rivers Agronomists are anxious to be of service and assistance to you in establishing realistic yield goals, and in putting together the right combination of inputs that will enable you to reach them.

GOOD RESULTS: As the harvest season begins, results are already coming in from farmers who have put their own trials into action on their farms.

For example, a farmer near Monroe informed me that he had a side-by-side trial with Quilt fungicide which resulted in a 6.5 bushel per acre yield increase compared to beans that received no fungicide.

There are many examples that show how the investments you make

on various inputs and management to boost yields will provide your crop with the extra yielding capability to pay for those investments, and allow you to realize a significant return on your investments in the process.

CORN ROOTWORM: We've had many farmers telling us they've found large numbers of corn rootworm beetles in their soybean fields this fall.

Jay's article in the September newsletter touched briefly on this issue, and he has again addressed it in his article elsewhere, so please be sure you review his comments.

Iowa State University entomologists say research shows that the larvae do not feed on soybean roots, and therefore will not survive in beans.

First year corn following beans, therefore, should still be safe and not require the investment in genetic or pesticide controls.

It's a different story when we are planting corn-on-corn, or any other variation of the normal rotation between corn and soybeans.

In these situations everything tells us the pressures are already there, and we therefore need to plant CRW hybrids, use an in-furrow insecticide, or turn to a higher rate of Poncho or Cruiser Max seed treatment.

**Seed
&
Stuff**
By
**Jay
Van Woerkom**



PLOT RESULTS: We're starting to get data and results back from our test plots, plots many of our customers have had out this year, and of course from supplier plots.

SEED & STUFF
Continued On Page 3

Be Watching For Notices About Our
POST-HARVEST CROP MEETING
To Be Held On November 11th
A LOOK AHEAD AT CROP INPUT DECISIONS
SUPPLY & DEMAND ISSUES FOR FALL/SPRING
PRICING FORECASTS AND PROJECTIONS
BOOSTING YIELDS WITH SEED TREATMENTS
And Much-Much-Much More



**Feed
For
Thought
By
Jason Smit**

As the seasons begin to change and cooler weather arrives, you need to be sure the ventilation system in your swine buildings is properly set up and functioning correctly.

There can be as much as a 40 degree or more shift between the daytime highs and overnight lows during this transition from summer into fall, and that can bring on some major respiratory and other challenges to your animals if the ventilation system isn't in peak condition and working properly.

Please do not hesitate contacting any of the Two Rivers Feed Team if you have any questions and/or if we can provide you with any service/assistance with ventilation settings and recommendations.

While you're at it, you might as well go ahead and give your livestock facilities a good pre-winter inspection to be sure thermostats, watering systems, insulation levels and all the rest are ready for the arrival of that first cold spell.

Again, don't hesitate contacting one of the Feed Team if there is any way we can be of service to you in getting your facilities ready for the winter before it arrives.

Finally, I call your attention to the special Mitch has put together on mineral tubs that is featured elsewhere in this newsletter.

Stock up now and save on all of your needs, and of course contact Mitch if he can help you plan your orders so you have all the bases covered as you turn cattle out this fall.

**The
Beef
Report
By
Mitch
Kennedy**



We're offering a 10% Discount on all in-stock tub products while supplies last, and now would definitely be a good time to place your orders to

stock up on these needs.

You can also order your choice of our Buy 10 Tubs and Get 1 Tub Free OR Free Delivery Offer for orders placed prior to November 30th to get your needs lined up so that your cattle will be well on their way to being in peak and proper condition before winter settles in.

These products are high in protein and energy, offer controlled intake, and will enable your cattle to utilize the nutrients they consume as they graze on stalks more efficiently and efficiently, thus giving them the most benefit they can get out of your stalk fields.

Give me a call if you have any questions or needs for your beef operation.

SEED & STUFF
Continued From Page 2

I encourage you to check with your Two Rivers Agronomists about these results before you place any orders for next year's seed.

SEED PROGRAMS: We have our **2006 Seed Programs/Pricing** established, and we feel you'll find some major savings awaiting you once you check with us on the programs and prices we're offering.

Included will be **Big Savings** for cash and volume purchases, plus we will have some additional savings incentives for new business and increases in existing business.

Our discounts will also extend to all seed orders that are linked together, thus giving you the maximum savings opportunity when you purchase any of our Monsanto (Asgrow and DeKalb), Croplan and/or NK corn hybrids and soybean varieties when purchased alone or in combination.

Plus, there is a **New Financing Program** that Two Rivers has developed and will be offering for our customers to use in purchasing their crop inputs for the upcoming year, and I encourage everyone to check these programs and savings out too.

CORN ROOTWORMS: As I discussed last month, we found lots of corn rootworm beetles in many of our area soybean fields as we were scouting in August, and quite a few of our cus-

tomers have called to report similar findings.

And we're certainly not alone, since numerous reports have come in from many parts of the state indicating the presence of large numbers of corn rootworm beetles in bean fields, and alfalfa fields too.

As Robby notes in his article this month, Iowa State University research continues to state that corn rootworm larvae feeding is restricted to corn roots and several species of grasses, but they **Do Not Feed On Soybean Roots**.

ISU further reports that while adult rootworm beetles may feed on soybean leaves, they apparently don't like them, since feeding is minimal and the beetles eat very little of the bean leaf surface.

Dr. Marlin Rice and Jon Tollefson, of ISU's Department of Entomology, also report there is still no evidence showing rootworms are laying their eggs in soybean fields.

However, with the ever-increasing number of adult beetles being found in bean fields, they also have stated it's possible to suspect we may be seeing a change in the behavior of the insect, much like the development of the **"Extended Diapause"** syndrome in the northern variety of the species.

Significant research is expected to be conducted on this issue by ISU, seed and chemical companies and others, and we will keep you posted of the results as they become available to us.

CYST NEMATODES: The key to successful management of Soybean Cyst Nematode (SCN) is to properly identify the level of infestation before populations get out of hand.

Fall is the recommended time for taking soil samples in fields that will be planted to beans in 2006 so you can see what kind of an SCN challenge you may be facing, and so you can take the proper steps to minimize the potential for damage and yields losses caused by SCN.

Contact the Two Rivers Team so we can visit with you about SCN sampling in your fields this fall, and to discuss the strategies we have to reduce yields losses caused by SCN.

STOCK UP ON YOUR NEEDS & SAVE
10% Off On All In-Stock Tubs While Supplies Last

BUY 10 TUBS BEFORE NOVEMBER 30th AND CHOOSE
1 Free Tub Or Free Delivery



As I See It
By Tracy Gathman
General Manager

THANKS TO STEVE: To begin with, I call your attention to the item on the front page that expresses our thanks to Director Steve Nunnikhoven for his role in alerting your Two Rivers Cooperative Board and Management to the availability of grant funds which we could apply for, and which we were subsequently approved to receive, to save on the new dryer that has recently been installed at the grain storage complex in Pella.

I hope the next time any of you see Steve that you will also take a moment to express your thanks and appreciation to him, since the savings that have been realized as a result of his calling this to our attention has benefited our entire Two Rivers Cooperative Family in the acquisition of this asset.

CONSTRUCTION UPDATE: There is just a week remaining until September comes to an end, and as of this writing I am very pleased to report that the work crews have continued to make very good progress on wrapping up the grain receiving, drying, handling and storage projects that have been underway throughout the summer.

Those of you who have driven by the southern end of Otley lately have no doubt seen the new walls surrounding the temporary storage bunker rapidly taking shape.

I would anticipate that by the time you're reading these words, or perhaps shortly thereafter, depending on just how fast the harvest season progresses, we'll be putting corn into the bunker.

Considering how good our corn crop looks, my guess is that we'll have the bunker filled rapidly again this year.

The new grain dryer at Pella is operational at this time, and as of this writing we are still awaiting the arrival of a sufficient number of bushels of "wet" corn needing to be dried to fire things up.

With the warm temperatures, low humidity and fairly strong breezes we have had much of the time during

September, Mother Nature seems to be handling the majority of the dry down work for this year's corn crop right out in the fields.

As far as our new storage bin at Pella is concerned, there are just a few "**Finishing Touches**" that remain to be done before we can call this project "**Totally Complete**".

These can be classified as more or less non-essential in terms of their impact on our ability to receive and handle your harvest deliveries, therefore we can simply hold off on them for now and come back once harvest is over to wrap things up for good.

All three of these projects represent substantial investments in assets that will enhance our customer service capabilities for this fall, and for many years to come, as we continue with our plans and objectives to position your Two Rivers Co-op so that it can best serve the ever changing and expanding needs of our customers and the marketplace.

AG IN THE CITY: I was very pleased to see a tremendous response to and turnout for the September 17th and 18th "**Ag In The City**" activities that were held in Pella.

There were numerous displays and information booths representing virtually the full spectrum of crop and livestock production agriculture, many fun-filled activities for all ages, plenty of delicious food items to choose from and enjoy, and best of all the friendship, fellowship and camaraderie that were shared as our rural and urban residents mingled.

Just walking around the square and looking at the outstanding and diverse display of farm machinery that was set out by the area's leading equipment

dealerships, I'd guess there was anywhere from \$2.5 to \$3.5 million worth of machines concentrated in that one particular area. Maybe more.

It got me to thinking that while the equipment our farmers use, and all the things we do in production agriculture, are pretty much taken for granted and have become almost second nature to all of us who work in this industry day to day, year to year, when it gets right down to numbers we're a mighty small segment of the population.

To the vast majority of people, the management practices we use in crop and livestock production, the machines, equipment and tools we use to achieve our production goals, and so much of what we do, why and how we do it are all unique, unfamiliar and, in some cases, I believe, so much of our industry is basically unknown and, therefore, always subject to being misunderstood.

While it's probably a bit of an over-exaggeration to say there are people who believe milk, meat and eggs, the cereal and the bread they eat all originate in the grocery store, the fact remains that even here in the agricultural heartland there is still a big gap of knowledge, awareness and understanding between the production side and the consumer side of agriculture.

Hopefully, events such as "**Ag In The City**" can help foster a greater understanding and awareness, and in the process help to dispel some of the myths, misunderstandings and misconceptions about those of us who are engaged in the ag-industry, what we do, and how we work to provide the world's most diverse, highest quality food products in such tremendous abundance.



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