



# Two Rivers

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## Cooperative

Monroe: 259-2232

Otley: 627-5311

Pella: 628-4167

Tracy: 949-6411

[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

September, 2005



## Crop Talk

By  
**Robby  
Wilson**

As I am sure all of our customers are clearly aware from their own recent visits to the gas pumps, and/or from the monthly statement they receive for the various forms of energy they use for their farms and homes, fuel/energy costs have continued to soar and, in the process, touch every phase of our lives.

The fertilizer industry, with its tremendous demand for energy, both as a raw material in the production of the various forms of nitrogen, and/or in the manufacturing/mining and transportation of all nutrients (nitrogen, phosphate and potash), is once again caught in the grip of these higher fuel and energy prices.

As a result, the cost for each unit of N-P-K for this coming fall will be higher and, I am sorry to say, the longer term picture as we look on out to next spring and beyond is that there is no immediate relief in sight.

Nitrogen is especially vulnerable, and I am talking about all forms of the product here, NH-3, liquid nitrogen and urea.

This is because there is such a huge requirement for natural gas, with between 80% and 90% of the total cost for every ton of NH-3 coming from the cost of the natural gas used to manufacture it.

And obviously, since NH-3 is one of the initial ingredients used in manufacturing liquid forms of nitrogen, the cost



## Work On Bin Project Is Rapidly Nearing COMPLETION!

*The photo shows the overhead load out bin being put into position. As you can see in the background, erection of the bin walls and tower structure is now complete, the head pulley has been installed and the catwalk and conveyor from the leg to the bin are also in place.*

of liquid N is also being significantly influenced by what happens with natural gas prices.

Making this issue of higher fertilizer costs a Double-Edged Sword is the fact that as transportation costs continue to increase, the cost of getting nutrients from their source to the marketplace is rising at a steady rate as well.

Our supply of potash, for example, is almost exclusively from Canada, and higher freight rates of getting the product moved to the Grain Belt are continuing to push prices up.

Also, we have to remember the overseas demand for nutrients continues to increase, especially in nations like China, where the market is expanding and growing at a tremendous rate, thus the basic fundamentals of supply and demand are dictating higher prices.

With a more or less limited manufacturing/mining capacity keeping the supply of products like potash at a fairly constant level, the increased demand and potential growth of the Chinese

market is causing more and more potash to flow east out of Canada rather than south.

In response to the challenges presented by higher costs for all nutrient inputs, your Two Rivers Co-op is taking a pro-active position to develop programs and pricing that will provide excellent opportunities for our customers to lock in savings on all of their N-P-K needs for the upcoming fall.

***We Will Have A Pre-Pay Program In September*** that will give our customers the chance to lock in their fall-applied nutrient needs at what we firmly believe will be a significant savings over the in-season prices we will be seeing next spring.

***Not only do I Strongly Encourage You To Use This Opportunity*** to lock in the price of your fall fertilizer needs to protect yourself from future price increases, I also feel it will ***In Your Best Interests***

**CROP TALK**  
Continued On Page 2



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

I'm sure I must at times sound like a broken record when replying to questions about fuel/energy prices, but there's simply nothing else I can offer in explanation for the outlook other than to again refer to the tremendous level of volatility, uncertainty and speculation that keeps the situation impossible to predict.

Those who contracted your needs with Two Rivers have already seen a savings, and all signs would seem to indicate that you'll be saving even more as the peak use seasons arrive and demand pushes prices higher.

I also believe all of you will need to pay extra close attention to your on-farm inventories as the fall and winter months unfold.

We urge everyone to plan ahead and to call in all fuel/energy orders early so that we have **At Least 24 Hours Advance Notification** of when the delivery is to be made.

With our delivery costs mushrooming the way they have this past year due to the huge increase in fuel costs, we will be **Strictly Enforcing All Delivery Minimum Requirements.**

That means there will be **Surcharges Added For Any Delivery Less Than 200 Gallons.**

I can also assure you that if it becomes necessary to pull any of our drivers/trucks off their regular delivery schedule to answer a call to fill a combine in the field, there will be **A Substantial Fee Charged** to cover the extra time, expense and inconvenience caused by interruption of service to other customers.

It is simply not right to penalize customers who plan ahead, order early and give us plenty of lead time to get their fuel/energy needs delivered to the farm in a timely manner, plus our large bulk delivery trucks were never designed or intended to be off-road vehicles hauling products across the fields.

We have established these policies and minimum requirements for a number of very sound business and economic reasons, and it is clearly time they be fully enforced.

**CROP TALK**

Continued From Page 1

**To Get As Much N-P-K Applied In The Fall** as you possibly can.

Here, too, your Two Rivers is responding to the situation, not only with our efficient, effective custom spreading services to help you get all of your P & K needs served, but once again this fall with **Custom NH-3 Application Services** available to help you get as much of your N applied during the typically short window of time we have in the fall before winter sets in.

It appears our area is once again a **Garden Spot Of The Grain Belt**, with the prospect of a large crop getting brighter as harvest draws nearer.

Producing back-to-back large crops has pulled a lot of nutrients out of your soil bank account and, like any other account, you need to replace what's been removed or you risk some not very desirable consequences.

There may have been years in the past when you could say *"I'll hold off and be a bit conservative on my fertilizer rates for the crop."*

There may even be years to come down the road when you can say *"Fertilizer prices are likely to soften up a bit if I wait until next year."*

**But This Is Not Going To Be One Of Those Years!**

Prices are not going to be easing up any time in the foreseeable future, and there is never a good time to be conservative on nutrient rates when doing so short-changes your crop of the "food" necessary to reach maximum yield potential from its genetics.

With both chemical and seed pric-

ing for the upcoming year looking to be fairly flat, with only whatever increases in freight rates there have been between last year and this next year likely to be a factor in both, we definitely feel you need to give locking in fertilizer prices a priority in your plans, and in your commitment of assets as well.

Also, since we are **Strongly Recommending** you make every effort to get as much of your N-P-K applied this fall as possible, we are **Strongly Encouraging** you to take time now to get your field maps into the Two Rivers Team in September so we can be ready to roll in October!

Those of you who have any **Burn-Down Applications** also need to get maps into us during September so we can be planning those programs and ready to maximize the timing of application during the narrow window of **Prime Time** to get optimum results.

One final issue I'd like to touch on briefly before closing is a reminder to spend some time in the next few weeks checking your hybrids for stalk strength and stand uniformity.

Everyone needs to get out there and do the **Stalk Pinch Test** down towards the bottom of the plant to see if the stalk is soft and mushy, which is a sure sign of one of several possible disease threats (Anthracnose, Diplodia, Gibberella, Fusarium).

Also check the ears and ear tips to evaluate pollination. We had some hot weather at pollination time, and some hybrids will suffer more than others.

Identifying which corn hybrids had stalk and/or pollination problems this year will help you fine-tune hybrid selection for next season.

**LP Service News & Notes** By Jerry Aalbers

*Even though the summer is quickly coming to a close, there's still plenty of the Good Grilling Season remaining, especially as sporting event tailgating and other fall outdoor activities get underway.*

*We're still seeing some old 20-30 pound LP cylinders that do not have the safety valve on them, and I need everyone to understand that it has been Against The Law for us or any supplier to re-fill old tanks for the past several years.*

*If you have one of these old tanks, save yourself a lot of time by just replacing it now so you can always get a fresh supply of LP to keep those grills fired up.*

*Speaking of grilling, I was pleased to see so many of our area customers at the Iowa Propane Association booth at this year's Iowa State Fair.*

*The association gave away 4 of the nice Phoenix Barbecue Grills in a drawing this year, the kind of grills which we handle here at Two Rivers, but unfortunately none of our customers was among the lucky winners.*

*If you're in the market for a new grill, I'd recommend taking a look at the Phoenix Grill line.*

*With the grain drying season right around the corner, now's the time to check the lines and system to make sure nothing has been damaged (weed eaters, mowers and the like are famous for nicking things) and to get your name on the list early if you want to have any service/maintenance performed on your grain dryer.*

# TWO RIVERS COOPERATIVE - 2005 FALL HARVEST POLICIES

## Receiving Hours

Normal receiving hours will be adjusted on a daily basis as harvest dictates. Daily receiving hours will be posted in the offices.

## Disposition

To insure proper processing of all grain settlements, please pick up a copy of the scale ticket after each and every load has been delivered to verify bushels and grades and splits (if applicable). Beginning September 1, 2005, all grain is to be settled within 10 days from the date of first delivery. If we are not notified within this 10 day period, the grain will automatically be placed on Warehouse Receipt with the appropriate drying, shrink and storage charges assessed.

## Moisture Requirements

	Corn	Soybeans
Immediate Sale	15%	13%
Price Later/Minimum Price/Extended Price Contract	14%	13%
Warehouse Receipt	14%	13%
Grain Bank	14%	N/A

## CORN

### Moisture Averaging

**Loads Testing 15.0% And Below Will Be Averaged Together \* Loads Testing 15.1% And Above Will Be Averaged Together.  
No Averaging Of Loads Over 15% With Loads Under 15%.**

### Drying Charges

**3.5 Cents Per Bushel/Per Point Of Moisture Removed**

### Shrink

**1.40% For Each 1% Of Moisture Removed.**

### Custom Dried Corn

Corn dried and hauled out during the harvest season will not be assessed a handling charge if it is hauled out within 3 days of initial delivery. Initial Delivery shall be based on each separate load.

Any custom dried corn that remains at the elevator after 3 days will be placed on a Warehouse Receipt with the Minimum Storage Fee of 12 cents per bushel covering the first 90 assessed.

Custom dried corn will be tested - both in and out - and moisture and shrink will be based on actual moisture removed. Custom dried corn will be charged a minimum of 6 cents drying per bushel.

## SOYBEANS

### Moisture Averaging

**Loads Testing 14.0% And Below Will Be Averaged Together. Loads Testing 14.1% And Above Will Stand Alone.**

### Moisture Discount

**2.00% Of Price For Each Point Moisture From 13.0% To 14.9%.**

**4.00% Of Price For Each Point Moisture From 15.0% And Above.**

## STORAGE RATES

### Corn

**12 Cents/Bushel For First 90 Days \* .000917 Cent Per Bushel Per Day Thereafter**

**Minimum Charges Repeat On Anniversary Date**

### Soybeans

**14 Cents/Bushel For First 90 Days \* .0010 Cent Per Bushel Per Day Thereafter**

**Minimum Charges Repeat on Anniversary Date**

**(All Corn & Soybean Accrued Storage Charges Will Be Billed On A Monthly Basis)**

## GRAIN BANK STORAGE

**No Charge For The First 30 Days Following Delivery (Any Month)**

**October-November-December**

**January-February-March**

**April Thru September**

**1/10 Cent/Bushel/Day**

**1/20 Cent/Bushel/Day**

**No Charge**

**Any Grain Sold Out Of Grain Bank/Not Hauled Out As Processed Feed Will Be Charged Regular Storage Rates.**

## PRICE LATER CONTRACTS - CORN & SOYBEANS

**15 Cents Per Bushel Service Charge for First 90 Days \* 2.5 Cents Per Bushel/Month Thereafter**

**Price Later Contracts Will Expire September 30, 2006**

**REMEMBER - GRAIN PLACED ON PRICE LATER IS NOT ELIGIBLE FOR SEALING**

**MINIMUM PRICE CONTRACTS \* EXTENDED PRICE CONTRACTS \* FLOORED AVERAGE CONTRACTS**

**Are Available Upon Request To Interested Customers**

**Please Contact Us For Complete Details On These Marketing Alternatives**

## DEFERRED PAYMENT CONTRACTS

**Are Available For Those Who Wish To Use Them For Grain Sold Prior To December 31, 2005**

**With Payment To Be Deferred Until After January 3, 2006**

**ALL POLICIES ARE SUBJECT TO CHANGE WITHOUT NOTICE**

**(Any Changes Made Will Be Posted In The Offices)**

**Monroe  
259-2232  
1-800-642-6498**

**Otley  
627-5311  
1-800-344-5628**

**Pella  
628-4167  
1-800-223-5512**

**Tracy  
949-6411**

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

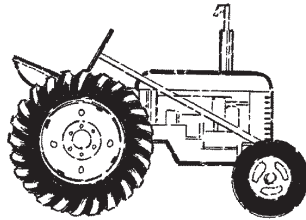
# AG IN THE CITY

We Invite Everyone To Join Us For  
**FARM FEST IN PELLA**

Friday, September 16th From 5:00 To 9:00 p.m.  
Saturday, September 17th From 8:00 a.m To 3:00 p.m.

**ANTIQU  
TRACTOR  
DISPLAYS**

Plus Numerous Other  
Ag-Related Displays



**\$2000.00  
IN PRIZES**

**CHECK OUT THE  
BIG  
MACHINERY  
DISPLAYS**

FEATURING EQUIPMENT  
FROM AREA DEALERS

The Pork Producers & Beef Producers Will Be Cooking On The Grills  
5:00 To 9:00 Friday - 11:00 To 2:00 Saturday

**THE KIWANIS WILL BE MAKING POFFERTJES**

Numerous

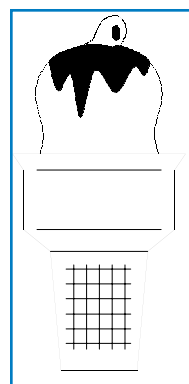
**DOOR  
PRIZES**

Will Be Presented

Be Sure You

Sign Up To

**WIN**



Tasty & Refreshing

**HOME  
MADE  
ICE  
CREAM**

Everyone's Favorite

**CONTESTS  
CONTESTS**

Longest Ear Of Corn

Most Pods

Per Bean Plant

Guess The Number  
Of Seeds In The Jar

And Many More

**SATURDAY PANCAKE BREAKFAST - 7:00 TO 10:00**

Prepared & Served By The Pella Christian Football Team

**COUNTRY GOSPEL MUSIC  
PERFORMANCES BY LOCAL CHURCHES**

**FUN GALORE FOR ALL THE KIDS**

*Pedal Pull \* Train Rides \* Pony Rides \* Petting Zoo \* Games & Activities*

These Two Special Days Sponsored By The Pella Chamber Of Commerce  
And Your Local Agricultural Businesses & Organizations

## Seed & Stuff

By  
Jay  
Van Woerkom



Once again in this issue of the newsletter we've listed the details for our **September Plot Tours**.

We are looking forward to a **Good Turnout** of customers to see and hear about the performance of our seed line, as well as some of the special agronomic testing that we've conducted in this year's plots.

If you are unable to make it to these tours, please do not hesitate contacting one of the Two Rivers Agronomy Team, since we should be able to make arrangements for a small group or even individual tour of the plots at a later date so you don't miss out on the valuable data and information they will offer.

Moving on to a couple of other items as we start looking ahead to the future, one thing we've become increasingly aware of and concerned about is the increased numbers of root-worm beetles turning up in area fields.

And for some reason, the situation this year can be described as **HORREDOUS**, since we've been finding large numbers of these bugs in corn fields, bean fields and alfalfa fields. **They're Everywhere!**

Many of you have also noticed the same sort of significant silk feeding on late-planted corn that we've been seeing as we scout, and this feeding can cause poor pollination.

In severe cases we've also seen some ears with few and even no kernels at all. In other situations there has been a little bit of feeding on the actual kernels on the ear, but this only rarely extended into the husk.

I mention these things now because while it's certainly too late in the game to do anything about these situations this year, you need to evaluate your corn stands, your fields and your farms for these problems now to aid in planning for next season.

You will definitely want to be planning an insecticide strategy for those fields that would be most vulnerable next season, and your Two Rivers Agronomy Team will be happy to assist in evaluations and strategy decisions.

## PLOT TOURS 2005

Wednesday, September 7th

Rain Date September 8th

**Morning Tour At 8:30 - Paul Hjortshoj Farm**  
(West Of Monroe Off Hwy 163)

**Evening Tour From 5:00 To 7:00 - Glenn Van Wyk Farm**  
(East Of Pella Off Hwy 163)

**Meals & Refreshments Served In Conjunction With Both Tours**

The entire issue of how to provide **"Insect Protection"** has become a much more complex one in recent years.

We now have both genetic solutions and seed treatments to help us, as well as the traditional use of planter box and other insecticide materials.

Herculex Corn is one of the more recent entries into the genetic strategies approach, and while these hybrids offer advanced, season-long protection against a number of insect pests (1st and 2nd generation European Corn Borer, Black Cutworm, Fall Armyworm, Western Bean Cutworm and Corn Earworm), you need to be aware that **As Of Today Herculex Hybrids Are Not Approved** for export to the European Union.

Many feel there will be a change in this position coming perhaps as early as this fall, however a "pending" approval is certainly not sufficient in the eyes of the processor markets to which the vast majority of the corn raised in our area goes.

Therefore until the EU accepts hybrids with this genetic trait so that our area processors will take them, you will continue to need to be able to segregate and "channel" any corn from them to the domestic feed markets that will accept it.

We will keep you advised on any additional developments on this as things unfold.



**Feed For Thought**  
By  
Jason Smit

The response to our introduction of Dried Distillers Grains (DDG's) has been very much appreciated, and if you have not as yet taken a few moments to visit with the Feed Team at Two Rivers about this economical ration ingredient alternative, do so soon!

With fall approaching we are being contacted by various sources looking for facilities in which to place pigs for finishing.

While strictly outdoor environments would probably not be suitable at this late date, hoop buildings and other facilities all the way up to full confinement are being sought.

Please contact us if you have any interest and we can get into the specific details and options with you.

We're very excited to have Mitch Kennedy joining our Feed Team to serve as our Beef Sales & Nutrition Consultant. Mitch is introduced below, and we hope all of you will welcome him to your operations as he calls to offer outstanding services.

### Please Welcome Mitch Kennedy As Two Rivers Beef Consultant

*Mitch Kennedy, a summer of 2005 graduate of Iowa State University with a degree in Ag-Studies, has joined the Two Rivers Feed Team to assist our beef customers with their nutrition and management needs.*

*Mitch is originally from the Atlantic, Iowa, area where he attended and graduated from Cumberland-Massena High School as he was growing up on the family farm that raised purebred angus cattle.*

*He also played football at Iowa State for two years, one at the tight end position, the other on the offensive line. Working with cattle and hunting are his favorite past time hobbies.*





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

**BIN UPDATE:** As the photo on the front page shows, the workmen have made a tremendous amount of progress on the Pella storage project over the past 30 days.

The bin walls, leg and load out bin are up and, as I write this, work on putting up the spouting is underway.

Experience has taught me never to be too optimistic with predicting the completion of any storage project, large or small.

However, unless we suddenly and unexpectedly experience something totally out of the blue on this project, everything today indicates we'll have everything completed and ready for service before the first bushels of 2005 beans cross our scales this fall.

**Traffic Flow:** Just as soon as we have all the work completed and the entire area is clear, we will be evaluating the best possible means of establishing the traffic flow pattern so we can smooth the entire delivery process to avoid congestion at the scale, grain receiving dumps, etc.

It may even be necessary to experiment a bit with different traffic patterns so we can ultimately come up with the most efficient, effective and timely flow to best utilize this new facility in conjunction with the other storage facilities, therefore please bear with us during the early stages of harvest as we refine the process.

Information on traffic patterns will be posted at the scale as necessary, so please check with us periodically so you can be aware of any changes that may be made.

**BUNKER UPDATE:** We are also on track and on target with our plans for the upgrades which are going to be made on the outdoor grain bunker at the Otley location.

Again, barring any unforeseen developments, our objective is to have the bunker walls in place by September 10th so that additional work can proceed on schedule.

**HARVEST PLANS:** In many respects,

your Two Rivers Board and Management Team have been developing plans, strategies and even making contingency plans to handle the upcoming 2005 harvest ever since last fall, when the immense size of the crop you harvested illuminated some of the inadequacies and shortcomings in our grain receiving, storage and handling capabilities and capacities.

The new 400,000 bushel storage bin in Pella, and the upgrades to the temporary bunker in Otley, are simply the first and most visible evidence of the many decisions which have been made to help us enhance customer service at all stages of the grain receiving, storage, handling and marketing process.

Over the course of the next several weeks, and no doubt leading right up until the first beans from the 2005 crop start to arrive, we will be dedicating a great deal of time and effort to moving as much of the existing inventories of grain out of our storage facilities, including a substantial portion which is destined for off-site storage, so we can have the maximum amount of space open and ready to handle your new crop deliveries.

Our primary objective and our declared intention will be to handle each and every bushel of corn and soybeans that moves across the scales at Two Rivers with the maximum amount of efficiency possible, and to handle your crop, the crop of your neighbor and the crop of all Two Rivers customers as smoothly and in the most timely manner possible.

The additional storage space in Pella will be a fine asset and a big help to us in serving your needs this fall, and on into the future, no doubt.

But to put things in perspective, you need to keep in mind that the entire 400,000 bushels of additional space it provides can be filled by our customers hauling in just 3-4 normal days volume of corn, thus it is still just one piece of a very large and complex puzzle we need to continue to shape as we look to the future.

Besides, while the amount of space available is always a factor in every harvest, the true measure of how smoothly, effectively and successfully any crop is handled comes not from the total amount of space there is, but rather from the proper and efficient utilization of that space day in and day out as harvest runs its course.

And this is precisely where teamwork and cooperation, accompanied by good communications between the customers and the employees to plan, schedule and keep one another well informed in advance, can and do make all the difference in the world.

Our area has been blessed by favorable weather, timely rains and has the prospect to have a fine corn and soybean crop again this year, one that I am sure will be among the nicest in the entire Grain Belt judging from all of the challenges that other areas have endured this season.

We look forward with excitement and anticipation to assisting all of you in harvesting this crop and to serving your storage needs to the best of our ability throughout the fall season.

With your continued support, and with each of you providing the teamwork, cooperation and good communications I mentioned above, we anticipate a fine harvest for all of you and for your Two Rivers Co-op in the weeks to come.



P.O. Box 47  
Pella, Iowa 50219

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