



# 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

December, 2006



## Crop Talk

By  
Robby  
Wilson

We have had an excellent fall season for getting P & K spread, some lime applied, and a lot of NH-3 down.

**Thank You** one and all for your orders, and for your cooperation in planning and scheduling product, equipment and services.

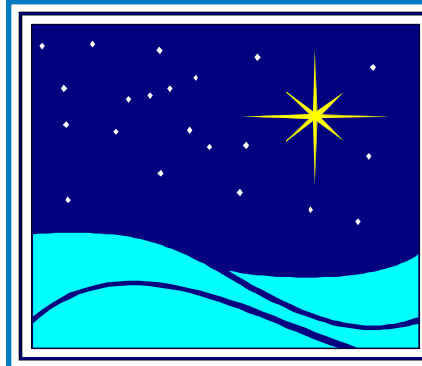
**Thank You** for your support, your business and the opportunity to be of service to you and your farming operation!

One of the very special and most valuable things we're seeing as this fall has unfolded has been the steady increase in GPS/VRT applications and services.

Our farmers are putting these technologies to work for them in more acres each season, and they are getting the added benefits, the added savings and crop performance and yield results to back up those decisions.

Your Two Rivers Agronomists have the experience and expertise to assist you in getting the best results from these technologies, and we have some of the very best and latest in equipment assets at-the-ready to serve your needs so your crops can gain the best performance and yield benefits which these technologies deliver in the fields.

We are looking forward to sustaining the outstanding momentum we have on this excellent head start to your next crop, and we are anxious to keep products, equipment and services moving for as long as Mother Nature



We Extend Our  
***Very Best Wishes***  
***For The Holidays***  
To All Of You And To  
The Members Of Your Family  
***Board of Directors & Employees***  
***Two Rivers Cooperative***

gives you and us good weather and field conditions for work to be done.

Keep in touch, call on us for your needs, and work with your Two Rivers Agronomists closely in planning and scheduling your needs in the days ahead.

**CORN-ON-CORN:** With corn prices strengthening and demand projections for corn apparently very optimistic as we look farther out into the future, more and more farmers are thinking longer and stronger about planting more of their acres to corn in 2007.

If you are considering any changes in the basic corn/soybean rotation strategies you've been using for your farming operation, ***We Need To Talk!***

For one thing, there are various issues that you need to address if you are planting corn-on-corn.

These include disease strategies, insect strategies, seed protection strategies, weed control strategies, tillage strategies, fertility strategies.

There are some genetic and trait issues that need to be considered as well.

And let's also keep in mind you're going to need to plan for and arrange your schedules differently for harvest-ing additional acres of corn in the fall.

Something else we feel needs to be more carefully and thoroughly evaluated is the commitment to corn-on-corn.

This is, after all, a fundamental shift in the crop rotation practices you've been using for many years, and there are more than just single year implications and/or consequences that will likely be involved.

In fact, with all of the management factors that will be altered in the process, and all of the above strategies and issues to deal with, we feel it's critical to look down the road perhaps as far as 3 to 5 years at the full implications of corn-on-corn.

So as I said, ***Let's Talk!***

Take some time to get together with your Two Rivers Agronomist for a serious, in-depth discussion and evaluation of these issues so you can make the best decisions, the best plans, and thus be in line to get the best results.

**PRE-PAYING INPUTS:** Finally, we will be getting our pre-pay pricing and programs established in the weeks ahead, so now is definitely the time to start visiting with your Two Rivers Agronomists to do some Pre-Planning For Pre-Payment Time!

Once again this year we'll have a ***Pre-Pay Open House*** right after the start of the new year ***In January***, since that arrangement give us more time for planning and evaluating different products, programs and inputs with you, and it proved to be very popular with our customers last year.



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

**WELCOME ERIC:** To begin with this month I want to ask all of you to join with me in welcoming **Eric Moorman** to our Two Rivers Cooperative, to our communities, and to your farming operations as he begins his duties as our **Cenex Energy Specialist**.

Eric, who is introduced in greater detail in the biographical profile that appears elsewhere with his photo on this page, will be calling on our customers in the country to discuss the Cenex fuel and energy products, programs and services Two Rivers offers to meet the needs of your crop and livestock operations, and those of your farm and home.

These will include information about our contracting programs for fuel and energy supplies, as well as the industry's best warranty protection plan for new and used farm machinery that's offered by Cenex for using their petroleum products.

Eric will also be able to give you all the information and details you need to evaluate the convenience, savings and added flexibility of our Bulk Oil programs and services to meet your farming operation's needs.

If you have any questions about different fuels, petroleum supplies, lubrication products or energy sources, feel free to ask Eric for information and answers to them when he stops by to visit with you.

If he doesn't have the answer on the spot, rest assured Eric will seek out that information from our representatives at Cenex and get back to you with it as quickly as possible.

Also feel free to talk to Eric about the fuel/energy programs and services we offer at Two Rivers so he can provide you with the best service possible in meeting all of your needs.

**HARVEST REVIEW:** With the crop out and fall field work underway at this time, I want to take this opportunity on behalf of the entire Two Rivers Fuel & Energy Team to express our thanks and appreciation to all of our customers for their cooperation in placing orders, for the good communications they provided during the season to

**Board Of Director Election Results**

*At this year's November 16th Annual Meeting the membership re-elected Directors Alvin Keuning (Monroe Area) and Dennis Uitermarkt (Tracy Area) to serve 3-year terms of office on the Two Rivers Cooperative Board of Directors.*

*Also elected to serve his first 3 year term representing the Otley Area as a Director was Dan Wichhart.*

*At their re-organizational meeting held on the evening of November 27th the Board elected the following to serve as officers until completion of the next Annual Meeting: Brad Rietveld, President; Alvin Keuning, Vice-President; Greg Van Maanen, Secretary; Dennis Uitermarkt, Treasurer.*

help us plan, schedule and route deliveries, and of course for the support and business that made this a very good season.

I especially want to recognize and thank those individuals who worked closely with us during a brief period of supply shortage at the pipeline.

Your cooperation and understanding were both critical during this period when supplies needed to be allocated to carry us for the time it took for the pipeline to resume normal distribution.

Fortunately, the interruption of supply was a brief one, and thankfully only a limited number of customers were impacted by it. Still, the cooperation and understanding of those people was very much appreciated.

We were also very pleased with the way our new bulk fuel truck performed, and the added efficiencies it brought to the process of keeping our customers supplied with their fuel needs during a very busy fall season.

The new truck also enhanced timeliness of our deliveries thanks to the 4,500 gallon capacity it was able to haul into the country on each and every trip it made out.

**GETTING READY:** November has been a very mild month thus far, and

with only a few days remaining before we turn the calendar to start December as I write this article, we can all be very thankful for that.

Our Energy Team will soon be starting on the Keep Full Routes, and I therefore want to remind all of the customers, especially those of you who are calling in orders as you need fuel, to be sure to:

1. Keep a close and regular watch on your inventories.
2. Keep a close watch on the weather conditions
3. Call 24 hours in advance (if not on a Keep Full Route) to order delivery.
4. Allow ample time for delivery to arrive.
5. Make sure you do not run out.
6. Allow extra time for planning, ordering and delivery when weather or road conditions are threatening.

Taking time and making sure you're on top of all of the above items will be very important as winter arrives, not only because they all make it possible to keep your farm and home well supplied, well served and warm, but also because running out and/or emergency deliveries (less than 24-hour advance notice) will cost you extra.

**Please Welcome Eric Moorman To The Two Rivers Team**

*Eric Moorman has joined the Two Rivers Fuel/Energy Team as a Cenex Energy Specialist and will be handling sales and service duties for our customers as he calls on them at their farming operations.*

*Eric, who attended Stephen F. Austin University in east Texas and is a graduate of Richland College in Dallas, brings a fine background of sales and management in the landscaping and horticulture industries to this position with Cenex and our co-op, and he is looking forward to meeting and working with the customers of Two Rivers as he makes his contacts and calls.*

*Eric and his wife Nancy, who grew up near Moorland, Iowa, just outside Ft. Dodge, and who is a Buena Vista graduate, have one child, son Austin, who is 3 years old. The family is in the process of moving to Monroe and is looking forward to getting settled into their new home.*

*Eric enjoys gardening and fishing as hobbies, the family enjoys attending sporting events, and son Austin is a budding ball player, having played on a bam bam baseball team in Altoona this past summer.*





## Feed For Thought By Jason Smit

With the corn market taking off on such a remarkable and unprecedented rally this fall, we've all been watching in amazement as prices have pushed higher.

While for the corn grower every bushel combined this fall brought broader smiles from higher values, those smiles were not nearly as wide for those with livestock, who have seen the cost of their feed ingredients on a steady and sometimes sharp rise as grain prices strengthened.

Though there are, as always, a lot of different factors involved in the upward movement of grain prices and feed input costs, most everyone is in agreement that the tremendously optimistic outlook for corn demand, fueled to a great degree by the huge demand projections by the rapidly expanding ethanol production sector, is at the heart of the issue.

At the same time, however, this same tremendous demand for corn by the ethanol production industry and that industry's rapid growth and expansion have been creating a lot of confusion, a lot of questions and a lot of misunderstandings for many livestock producers.

From their perspective it would seem that with more and larger ethanol production plants going up all the time, and thus more and more demand for corn to use in them, we should be awash in an abundance of the by-products from that process, specifically the Dried Distillers Grains (DDGs) for use by livestock producers.

These feelings are perhaps even greater for those livestock producers who live in close proximity to one or more of these ethanol production plants, since for quite some time they were able to get a ready supply of comparatively low-cost DDGs virtually any time they wanted or needed them.

Unfortunately for the livestock production industry, the secret of low-cost DDGs, along with the benefits of feeding them has to livestock (such as a major reduction in ileitis and hemorrhagic bowel in swine), is out.

DDGs are now in heavy demand by

cattle feeders and dairy operations alike, being sought after by the poultry industry and, as mentioned, are prized by pork producers.

***And this demand has grown by leaps and bounds Nation-Wide!***

With these sharp increases in demand, supplies are no longer virtually unlimited, despite the growth of the ethanol production industry and the number of plants that are being built and/or expanded.

Not all that long ago, we were able to place an order for DDGs just about any time and not be concerned about the availability of that supply, or that there would be any significant change in the price.

Today, even when ordering out as far as several weeks in advance, our sources are telling us availability is basically unknown, even at these higher prices.

We also have to keep in mind that the ethanol plants, which have seen the cost of their basic input (corn) increase by over \$1.00 per bushel over the past 90 days, certainly aren't going to continue to virtually give away the by-products of manufacturing ethanol.

For the most part, therefore, I feel we have probably seen the end of the short but advantageous run we were having with a low-cost, virtually unlimited supply of readily available DDGs to use in livestock rations.

However, I also feel we will ultimately see stability return to the availability of supply and the pricing of DDGs as

the marketplace becomes more firmly established and supplies become more predictable.

Therefore we encourage our producers to continue to work with us on using DDGs as a viable alternative to feed in various livestock rations and specific advantageous feeding situations, since DDGs will continue to provide your livestock operation with many benefits in performance, health, gains and efficiencies.

In closing, and with the winter season soon to be here, I once again am asking for the cooperation and assistance of our livestock producers to help us provide everyone with the best possible service by planning and ordering their feed deliveries well in advance in the months ahead of us.

Wintertime delivery can often be an even more time-consuming process for our staff, especially when road conditions deteriorate.

So please plan ahead and order well in advance, and also please try to keep access to your feeders open and provide ample room for the larger delivery equipment to maneuver in your drives and feedlots.

**Holiday Hours**  
**At Two Rivers Co-op**  
*All Locations Will Be Closed*  
**CHRISTMAS HOLIDAY**  
**Monday, December 25th**  
**NEW YEAR'S HOLIDAY**  
**Monday, January 1st**

### Two Rivers Cooperative 2006 Test Plot Results

#### Chuck Birkenholtz Corn Plot Monroe Area

Hybrid	Yield
<b>Dekalb 63-46 RR/YG</b>	<b>220</b>
<b>Dekalb 61-45 RR/YG</b>	<b>226</b>
<b>Asgrow 715</b>	<b>221</b>
<b>Dekalb 60-18 RR/YG+</b>	<b>220</b>
<b>Dekalb 61-72 RR</b>	<b>223</b>

#### Glen Van Wyk Corn Plot Pella Area

Hybrid	Yield
<b>Dekalb 57-79</b>	<b>226.2</b>
<b>Dekalb 61-68</b>	<b>224.0</b>
<b>Dekalb 62-31</b>	<b>225.7</b>
<b>Dekalb 63-46</b>	<b>224.4</b>
<b>Asgrow 674</b>	<b>219.6</b>

#### Paul Hjortshoj Corn Plot - Monroe Area

Hybrid	Yield	Hybrid	Yield
<b>Croplan 591 CRW/RR</b>	<b>204.0</b>	<b>Dekalb 62-31</b>	<b>210.2</b>
<b>Croplan 691 BT/LL</b>	<b>200.1</b>	<b>Dekalb 63-46</b>	<b>219.3</b>
<b>NK 76-M5</b>	<b>202.6</b>	<b>Dekalb 63-81</b>	<b>208.1</b>

#### Glen Van Wyk Soybean Plot - Pella Area

Variety	Yield	Variety	Yield
<b>Croplan 2678</b>	<b>70.74</b>	<b>NK 28-G1</b>	<b>66.35</b>
<b>Croplan 2800</b>	<b>66.75</b>	<b>NK 34-K1</b>	<b>68.67</b>
<b>Croplan 3253</b>	<b>65.88</b>		



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

On behalf of the Board of Directors and all of the Two Rivers Employees, I want to express our sincere thanks to all of the members who were able to join us for a very enjoyable Annual Meeting evening on November 16th at the PCM High School in Monroe.

Mother Nature smiled on us by providing some absolutely gorgeous late fall weather for the Annual Meeting, which gives us yet another solid reason why we feel the timing of this year's meeting is perhaps the most advantageous for Two Rivers and its members.

For one thing, it doesn't "crowd" the many activities, events and busy schedules associated with the days leading up to Thanksgiving and just after, as was often a problem for many when we held our Annual Meetings closer to that special family holiday.

And for another, it doesn't put us at risk with hazardous road conditions such as freezing rain, snow or ice, bitterly cold temperatures and wind chills, which we all know can unexpectedly descend on our entire area at any time from the start of December on throughout the winter.

Having the Annual Meeting the week before Thanksgiving may not be the totally perfect timing, of course, since there is always a possibility some of our members may be working on wrapping up harvest or taking care of some of their fall field work at that particular time.

Nevertheless, we hope seeing and hearing about the financial performance and the results of your cooperative's year, sharing a nice meal with your spouse, your friends, neighbors and the members of our Cooperative Family, and enjoying the good conversation, the friendship and camaraderie that make this a very special evening for Two Rivers is well worth giving yourself and your tractor a break for just a couple of hours to join us.

And speaking of this past year's performance, I am very pleased to say this past year was indeed a good year

of business for your Two Rivers Cooperative.

**Total Sales** for this past year were **\$31,675,538**, which is similar to a year ago.

However, we experienced an increase of some \$80,000 in local savings for this past year, our **Pre-Tax Savings** were **\$908,129**, which represents an increase of nearly \$386,000, and the **Bottom Line Savings** for this past year amounted to **\$709,257**, which is up by over \$302,000 from the previous year.

As a result, the Board of Directors of your Two Rivers Cooperative authorized a **Total Patronage** allocation to the membership of **\$348,429**, of which **30% or \$104,529 Was Paid In Cash**, with those patronage checks being distributed to the members as they arrived at the Annual Meeting.

This year's patronage rates were 1.01 cent per bushel on all of your grain transactions, 3.03% on all of the merchandise and services you purchased and received, and 2.7938 cents on every gallon of fuel you bought at your cooperative from September 1, 2005 through August 31, 2006.

I am also very pleased to report that as further proof of the positive results and growth which the continued support and business of the members of Two Rivers have made possible this past year, the Board has also authorized an additional cash payment of past equities to the membership.

Checks totaling **\$80,308** and representing **6.67% of our Members' Equity** were mailed out on the evening of the Annual Meeting, so for that day, November 16, 2006, the members of Two Rivers Cooperative

received a **Total of \$184,999.66 in Cash Payments**.

We hope all of you are as pleased and proud as your Board and the Employees are at the progress, growth and success which your support and business have made possible for Two Rivers, and which have put your cooperative in the position to return these dollars to you.

All of your Directors and the entire Employee Team have worked very hard to grow your cooperative assets, to enhance the services we offer, to update and upgrade the facilities and equipment, and to make the best decisions and do the things that will earn your support and your business through our efforts, dedication and commitment to meeting all of your needs in the most timely, efficient and effective manner each day.

As we look at all of the changes taking place throughout agriculture, the renewed strength of our markets and marketplaces, the bright prospects and promises for the continued growth and success that lay ahead for your farming operations and for your cooperative, I think you will agree this is becoming a very exciting and positive time for our entire industry.

There are many interesting, promising opportunities that are opening up in both crop and livestock production, and your Two Rivers Cooperative is well positioned and determined to assist our members in capturing and capitalizing on the best of them as we move forward together.

The holiday season is upon us, and in the spirit of the holidays I extend our **Very Best Wishes** to all of our members and to their families for a **Most Joyous Holiday Season**.



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Pella, Iowa 50219

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