



Two Rivers

Cooperative

Monroe: 259-2232

Otley: 627-5311

Pella: 628-4167

Tracy: 949-6411

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

January, 2006



Crop Talk

By
Robby
Wilson

As you can see in the ad to the right, the **Open House** at your Two Rivers locations has been set for January 4th and 5th, and we are looking forward to seeing a good turnout of our customers at all locations.

As Tracy has mentioned, locking in prices **AND** supply with your early orders and pre-paying those orders will bring you numerous benefits, advantages, savings and peace of mind as we look ahead to a very busy spring.

So be sure you take time to stop in to visit with us at Open House, and in the weeks ahead, since our initial pre-pay pricing will be good only until January 20th, after which prices will be increased monthly until we reach in-season rates.

VALUES: With the time for making important input decisions clearly upon us, I want to once again take a few moments to remind all of our customers to be sure they evaluate and give consideration to the value they receive for the dollars they spend.

There are all kinds of sales techniques and approaches being used in the competitive marketplace we operate in these days, and let's face facts, while we have fewer farmers, most are farming more acres than ever before, which makes the competition for their business even more intense.

We also have fewer suppliers, and some of these have evolved into conglomerate giants at the wholesale and

at the local, retail level.

One thing that's remained virtually the same throughout all this growth, progress and change, is something I am sure everyone has heard expressed at some time in the course of their life by a parent, teacher or mentor: **You Get What You Pay For!**

I thought of that the other day when a customer mentioned a seed supplier had offered to compensate for a seed number that didn't do very well this past year by giving him one free bag of that seed with every bag purchased for the upcoming season.

Yes, he'd get some free seed. But what's the value of having twice as much of something that has already shown its performance and yields don't stack up?

It can also get a bit confusing when offers are made contingent to other purchases, such as offering an additional discount on soybeans providing the customer purchases all his corn seed from the same supplier.

All seed suppliers offer volume discounts, as does Two Rivers, and most offer to combine different seed volumes into one to enable the customer to purchase at the most attractive volume discount.

That's what Two Rivers does too.

We Look Forward To Seeing You At TWO RIVERS COOPERATIVE'S OPEN HOUSE 2006

Wednesday, January 4th At Pella & Tracy
Thursday, January 5th At Otley & Monroe

SERVING SOUP & SANDWICHES 10:00 - 2:00

And Serving Up Great Input Savings

Good Conversation & Friendship All Day

**STOP BY TO PLACE PRE-PAY ORDERS
TO LOCK IN SUPPLY-PRICE-SAVINGS**

But to my knowledge there isn't anyone who gives you the combined volume discounts for both the corn and the soybean seed if you buy seed corn from one supplier and seed beans from the another. You get what you pay for at each.

Two Rivers handles the Monsanto lineup of corn and soybeans under the Asgrow and DeKalb labels, the Croplan Genetics line, and the NK line from Syngenta.

We feel these extensive lines are **A Step Above The Rest** based on the genetic advances and technologies they have initiated and developed through extensive research to take our corn and soybean crops to the highest levels of performance and yield.

Two Rivers also provides ...

... **The full spectrum** of crop production services, including grid and soil sampling, nutrient application and management, integrated pest management of all weeds, insect and disease challenges.

... **Full-time and full-service** crop consultation services that are both personally and professionally linked to the background and experiences that have

CROP TALK

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**Fuel
Facts
By
Scott
Bensink**

There has been cold weather across virtually the entire nation during December, with even the southern areas of Texas around the Brownsville area dipping into the low 40's and with highs of barely 60 for several weeks in a row.

Out along the eastern seaboard it's been a deep freeze since Thanksgiving in many areas, with some big snowstorms tossed in by Mother Nature for good measure.

All this extreme weather has driven natural gas prices to new highs the past couple of weeks, dragging the price for all other forms of energy and our fuel products higher in the process.

We did see just a short period of modest relief in the fuel/energy markets right before the Christmas weekend arrived, as predictions of warmer weather gave us a bit of a break in the upward momentum.

Having this type of response in prices simply shows just how volatile and sensitive the entire marketplace has become to any sort of news, requiring only the "forecast" of a weather break to bring some easing in the upward spiral.

The amazing thing to me is that for this time of the year, supplies of fuel/energy are deemed to be adequate, but apparently fundamentals such as that don't carry as much weight when traders are on edge.

Again, this high level of volatility and uncertainty makes it virtually impossible to even try to call the market's potential, since as we've seen all too clearly, prices can take off at the drop of a hat, with or without sufficient fundamental reasons for doing so.

In response to customer requests, we have established a **Spring Diesel Fuel Contract** for product delivered March through May, 2006.

When evaluating the current contract price, I think it's important to keep in mind what happened to prices throughout the 2005 crop season.

I feel those experiences showed everyone that there is so much more than just peace of mind involved in locking in a price and a supply to elimi-

IT'S RE-CERTIFICATION TIME

Re-Certification Testing Sessions

January 9th At DMACC In Newton

January 11th At Mahaska County Extension, Oskaloosa

February 10th At Marion County Extension, Knoxville

Re-Certification Continuing Education Sessions

January 17th At Neal Smith Wildlife Center, Prairie City

JANUARY 23RD (1:30 & 7:00) - TWO RIVERS CO-OP, PELLA

January 26th At Mahaska County Extension, Oskaloosa

January 26th At First State Bank, Lynnville

nate the risks and avoid the potential of paying a lot more for diesel when we get into the in-season pressures.

And believe me, I also think the **Peace Of Mind** in knowing exactly what the price of your spring diesel fuel will be to put your crop on has a value, one that increases even more in times when prices are so volatile and unpredictable.

Remember, the contract price we are offering is good only for the number of gallons we have contracted with our supplier at this price.

Once those gallons have been committed to customers who have contracted, it will be necessary for us to look at the marketplace to determine if we are able to come out with a new contracting opportunity before spring.

So take time to contact the Fuels Team now to investigate our Spring Diesel Contracting program, and don't wait too long to lock in your spring fuel needs to bring some **Peace Of Mind** to this process.

Finally, the LP Team is running the Keep Full Routes, and they report they're finding some tanks with a surprisingly low amount in them already.

Therefore, if you are not on a Keep Full Route, be sure to take a few minutes to **Check Your Tank** to see how much LP you've already used, and to keep checking regularly as usage

increases in this colder weather.

Remember, our policies and charges for out of gas and same day orders will be strictly enforced, and these emergencies cost extra.

CROP TALK

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developed during the long-term relationships that have been developed through season-after-season of working with you, your fields, your crops and management.

Through the quality of our products and services, and with the cooperation, communication and teamwork we have had over the years to help you maximize crop performance and yields to reach each field and each seed's full productive and genetic potential, Two Rivers can provide you with the best value for every crop dollar invested.

If saving \$2.00 or \$4.00 per bag of seed comes at the cost of sacrificing these and the other values you receive when you buy your seed at Two Rivers, are you really saving money?

As you make your plans and decisions for this year's crop inputs, be sure you take time to consider the value you are receiving along with the price you pay, and how the service that accompanies the sale adds up to giving you the best returns.

Attention Farm Ladies - A Special Series Just For You

ANNIE'S PROJECT

A Risk Management Series For Farm Women

6-Week Informational Series With Sessions Held

January 24th & 31st * February 21st & 28th * March 7th & 14th

Total 6-Class Series Costs Only \$50.00

Sessions Topics & Issues Of Special Interest Include

Business Plans * Cash Rent & Share Crop Options

Financial Documentation * Estate Planning * Using Spreadsheets

Marketing Strategies * Risk Management * Time Management

Registration Details & Other Information Available

At The Mahaska County Extension Office

**Seed
&
Stuff**
By
Jay
Van Woerkom



Once again this coming season we will have an **STS Soybean** production program. While all the details aren't yet in, I am confident the program will be very similar, and perhaps even virtually identical to last year's program.

Please do not hesitate contacting any of our Agronomists for complete details and seed specifications so you can participate in this value-added program in 2006.

Of course one of the big issues of discussion as we look at finalizing seed corn and management decisions for the next crop is corn rootworm.

As discussed in several newsletter articles leading up to the 2005 harvest, there was a significant amount of rootworm feeding in evidence.

This issue brought into question the possibility of perhaps a change in the life cycle of the traditional corn rootworm pests we've dealt with in our area, the potential of an invasion of a different sub-species, or the expansion of corn rootworm diapause, which has eggs dormant and over-wintering for the entire year that beans are raised in a particular field.

I recently attended a meeting conducted by I.S.U. Entomologist Dr. Marlin Rice at which an extensive presentation was made, including various recommendations that I would like to share with you here.

In the first place, Dr. Rice advises us to **Monitor Corn In July** so we can assess root feeding, since this tell-tale symptom is much more difficult to isolate as positive evidence when we wait until fall to inspect the crop.

Fields that are in their first year of corn need to be inspected to determine if an insecticide or the planting of Corn Rootworm (CRW) resistant genetic hybrids will be justified when the field is returned to corn following next year's bean crop.

The most current evidence suggests there is a significant yield increase potential when planting the CRW hybrids as compared to using soil insecticides or seed treatments.

However, it also needs to be mentioned that presently these CRW

hybrids need to be "channeled" into approved market destinations, as they are currently not approved for food chain and our specific export markets, and they may or may not be cleared prior to the next corn harvest.

The yield difference mentioned varies with moisture. In dry conditions, the spread between the CRW hybrid yields and those of seed that has been treated or where insecticides were applied to the soil is much greater.

When soil moisture is considered adequate, and when nutrients are readily available, even in situations where root numbers have decreased, the yield difference is not as great.

On one other pest-related front, we've seen a significant increase in the number of soybean varieties that contain **Soybean Cyst Nematode** (SCN) resistance, from just a few dozen in the early 1990's to over 600 at present.

While the obvious goal is to provide increased yields in the face of SCN pressures, it must also be remembered there is considerable value in suppressing SCN reproduction, and that not all varieties offer this additional benefit at equal levels.

Therefore, in addition to evaluating the yield benefits of planting different SCN resistant soybean varieties, be sure to take it one step further to compare the resulting SCN egg densities to help maintain the long-term productivity of your soils.



**Feed
For
Thought**
By
Jason Smit

Last summer in the June issue, if you want to look it up in the newsletter archives on the web site, I mentioned several very special and unique opportunities in pork production that offered flexibility in the level of participation.

These included the traditional form, in which the individual owned the building, provided the labor to raise the pigs at a set cost, and received the manure, to one in which the landowner sold a site for an outside party to erect a building and provided the labor to raise the pigs, with the original landowner receiving the manure.

There were also two other flexible

alternatives, both of which, however, also assured the original landowner the use manure for crop nutrients.

Just recently, we have been approached by an interested party that wants to expand upon the pork production potential for this part of our state, and in the process create opportunities for local farmers to address the on-going and increasing challenges of nutrient costs and supplies by generating some of those nutrients through pork production.

Local landowners interested in this opportunity can sell sites of 5 acres upon which pork production facilities will be built to the exacting specifications of the investor.

The local landowner can then choose whether or not to supply the labor to raise/manage the pigs at a specific cost, hire this done by someone else (friend, neighbor, relative, etc), or have the investor supply it.

The local landowner will assume responsibility for the removal and application of the manure generated by the production facility.

As we look to the future and see the changes taking place in the supply and pricing of crop nutrients, we feel these opportunities to ease our reliance and dependence on commercial fertility sources by re-emphasizing the traditional and historic role of livestock production as a alternative nutrient source has made opportunities such as this much more attractive, viable and economical.

We would like to have an opportunity to visit with anyone interested so we can answer their questions, evaluate the nutrient potentials, including the possible savings when compared to commercial sources, and investigate how these pork production opportunities might fit into their plans, both for the short and the long term.

There are numerous other attractive benefits and advantages which these opportunities can bring to the farm, including increased farm equity and valuation for the future, along with a sound, solid and profitable investment in assets that will provide significant returns.

Most importantly, there has never been greater flexibility, or greater freedom to pick and choose your own level of participation, and it costs you absolutely nothing to look into these opportunities, ask questions and explore them for your farm and your future to see what they can offer.



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

Baring any unforeseen developments, we anticipate having the remaining bushels from the bunker pile at Otley cleaned up and moved by the end of January.

The new bunker walls and cover we installed this year proved to be a great asset to us in handling the overflow of your corn deliveries at harvest.

It certainly helps to be able to turn to this type of facility for temporary relief from the pressures harvest puts on our permanent grain receiving and storage assets, since this added flexibility and the added storage capacities enable us to respond to your needs in the most timely manner during harvest's peak rush period.

The time has arrived for all of you to be planning ahead and making decisions for the next crop.

The initial stages of this process are already underway, as customers meet with their Two Rivers Agronomists to look at different alternatives, discuss crop plans, programs and inputs, and to lock in both supply and savings with pre-payment orders.

There has always been an economic advantage to planning in advance and placing orders early, since the sooner input orders are placed, the more the customer has historically been able to save over the higher in-season pricing schedule.

I think it would be pretty amazing, and definitely an eye-opening exercise, if you could go back over the past 5 years and add up just how much you've been able to save for your farming operation by placing your orders with us in advance, rather than waiting until planting time was upon us.

In most cases I expect the difference in prices could amount to several thousand dollars per year, and perhaps much more, for many of you, and there's clearly no doubt that by planning ahead and ordering your needs in advance to save money, you've improved your operation's bottom line significantly.

But as surprising as it may sound, especially since the issue of saving money has always been a top priority at all levels of production agriculture, in the vastly changing marketplace we're operating in these days, there may be another even more crucial and critical issue that makes planning in advance, ordering early and pre-paying inputs so necessary for all of our customers.

I am talking about supply which, as we have clearly seen this year with what happened to our fuel/energy markets and our nutrient markets, nitrogen in particular, are much more volatile, uncertain and unpredictable.

Global demand for these products has increased at a significant rate in recent years, while at the same time the ever-increasing costs for fuel/energy have driven many of the players in the domestic manufacturing and distribution system out of the marketplace.

As a result, we relied upon imports for approximately 45% of the nitrogen needed to meet our needs this past year, compared to just 15% imported product only 10 or so years ago.

The percentage of imports is expected to steadily increase due to the continued idling of domestic production plants which, like so much of the industrial manufacturing network in this country, are old, inefficient and, due to tight environmental and other restrictions, deemed too costly to repair and/or replace.

Additionally, the loss of one of the nation's leading farmer-owned and cooperatively operated supply and distribution systems several years back has eliminated what was previously a strong commitment to provide a reliable supply of products at a competitive price to those producing the crop.

This has been mostly replaced by the corporately influenced, investor driven profit goals of today's mega-companies with worldwide assets, and a worldwide marketplace to serve.

For these giants, if it's not profitable to manufacture something, they aren't going to make it. They choose the markets to which they will sell, and sell where and when the transaction brings them the biggest/best return.

And if a particular market is not sufficiently attractive, they will sell to another, having the entire world to choose from.

The input marketplace is in a state of flux, and while I certainly expect these supply issues to stabilize some in the future as we adapt to the changes that have taken place, I am also certain that during this transition period the issues of supply and price will both be volatile, uncertain and unpredictable.

It will therefore be even more important and more to your advantage to plan input supplies in advance, and to lock those supplies in with early orders, so you can not only save on those purchases, but also assure yourself and your farm there will be adequate supplies of your inputs at hand when it's time to plant your crops.

In addition, I believe the time has also come for our nation's farmers to consider ways they can reduce our reliance on imported nutrient products and, in the process, maintain sound nutrient management strategies in supplying their crops' needs.

Jason's article elsewhere discusses the various opportunities that livestock production can create to address crop nutrient supply issues, and I encourage you to take a closer look at these as you plan for the future.



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