



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

February, 2007



Crop Talk

By
Robby
Wilson

I'd like to continue on with a discussion of some of the items I was talking about in the January issue that we feel will help our customers increase corn and soybean yields in every field, and therefore increase profits for their farming operation.

As I was saying last month, all too often we can become so focused on the major management issues that we overlook and, unfortunately at times, even neglect some of the smaller and yet critical things that can deliver improved crop performance, higher yields, and a higher return on investments.

The bottom line in crop production is yield, so you need to look at your management and ask yourself: **“Am I using every bullet in the box to get the best yield possible, or am I leaving some bullets behind?”**

For corn, are you taking a proactive position against cutworms and flea beetles by applying insecticides and scouting on a timely basis, or are you waiting until damage is significant enough to be visible from the road?

In soybeans, are you spraying for the over-wintering population of bean leaf beetles, or waiting to make decisions only after they've caused threshold level damage?

One thing to keep in mind when we have corn and soybean prices like we do these days is that the higher the price per bushel, the less damage

needs to be done to reach the economic threshold.

Also keep in mind the cost of preventative treatments is more quickly and easily covered by the extra bushels of yield they can protect and provide, and there's also more left over as extra profit from you.

After all, it may be one thing to sacrifice a couple of bushels of corn or soybeans per acre to insects, or to weeds or diseases, when prices are below two bucks per bushel on corn and at less than five bucks for beans, but it's costing you a lot more to lose those bushels at the prices we're seeing these days.

Here's another question.

Are you using the latest seed technologies and genetics in your fields, or are you sticking with seed products you've been planting for the past 5 or even 10 years just because you're familiar with what they've done and/or it's just easier to say **“Give Me The Same Thing As Last Year”**?

The speed at which today's seed technologies and traits are being refined, fine-tuned and are advancing is making many of the hybrids and varieties we planted just 3 years ago

obsolete in terms of crop protection, performance and yield potentials.

Therefore, you need to constantly and continually re-evaluate and reassess the seed you are using and plant the very best seed to give you the very best results.

What about using fungicides?

There is tons of evidence proving these products promote optimum plant health, thus improving crop performance and yields, and that's on both corn and soybeans. **Use them!**

Where are your soil micro-nutrient levels?

If you need to apply micro-nutrients to boost yields, an investment of several dollars per acre will more than likely bring you double and perhaps even triple that in added returns.

I don't know anyone who would refuse exchanging four or five one dollar bills for a nice crisp ten.

Here's something we talk about almost every year, inoculating soybeans, and here too there is a ton of information that proves the value of this practice.

CROP TALK
Continued On Page 2

Make Plans To Join Us For This Meeting **CROP PRODUCTION IN 2007**

Thursday, February 8th At 10:00

At The Monroe Legion

Major Topics Of Discussion Will Include

CORN-ON-CORN: *Get the facts and details on the best management practices to use for optimum yields by addressing insect pressures and controls, fertility plans for the near and long term, seed corn technologies and traits, new hybrids, stacked hybrids and all the facts on Roundup Ready Corn, Corn Rootworm Technology (CRW), B.t. Corn Hybrids, Herculex Corn, Liberty Link Corn.*

SOYBEANS IN 2007: *Learn more about boosting your bean yields and profits, plus the production practices to use in soybeans that address the challenges of corn-on-corn, including corn rootworm extended diapause, etc.*

Lunch Served Following The Meeting



**Fuel
Facts
By
Scott
Bensink**

It's been a welcome sight to see the pressures on our fuel/energy prices eased a bit thanks to the steady decline in crude oil prices, and the relatively mild early winter weather we've had.

As of this writing the price for a barrel of crude oil was approaching a full \$20.00 per barrel less than the highs put in just a few months ago, and at a little over \$53.00 per barrel as I write this article, the crude market is now at a 20-month low.

I feel it would be a good idea to take advantage of this opportunity for at least a portion of your anticipated spring needs, especially if you have adequate fuel storage on your farm to do so.

Yes, there's always the possibility and potential for crude oil prices to continue to slip lower as time goes by.

But with the unrest and volatility we're seeing in the Middle East at this time, it wouldn't take much to turn this market around sharply, and we all know how much faster prices rise compared to the way they fall.

My understanding is the Saudis have persuaded OPEC to postpone their most recently scheduled meeting to discuss production cuts, since the quotas currently in place appear to be working and holding crude volumes and values at desired levels.

Also, we still have a lot of winter left, and any sudden prolonged cold snap would quickly bring pressure to bear on the marketplace.

You might also want to keep watching for diesel contracting opportunities, especially if/when we start to feel a turn around in the cash market, so you can get at least a portion of your needs covered.

As always, feel free to contact your Fuel/Energy Team for pricing and to place your orders, since with February upon us we're looking at 60 days or less and equipment could be out in the fields.

Now would also be the perfect time for you to inventory your on-farm oil and grease needs, and to place orders for these supplies soon so you can have all your needs on the farm and

ready to service your equipment as you plan and prepare for another very busy season.

Speaking of which, if you haven't visited with Eric about the **Two Rivers Bulk Oil Products & Services**, you really owe it to yourself to have Eric stop by your place to show you all the advantages, convenience and savings available with bulk oil systems.

Eric has been doing a great job since joining the Two Rivers Team a couple of months ago, and he is very anxious to get together with you to help plan your spring needs.

If you haven't had the opportunity to meet with him to discuss the products, programs and services available from Two Rivers, call and let Eric know when you'd like to have him stop by. You'll be glad you did.

CROP TALK

Continued From Page 1

Yield increases of 2-3 bushels per acre are typical, and that's approaching a potential increase of \$18.00 per acre return for an investment of just \$2.50 per bag of beans for inoculating.

Have you looked at the benefits and savings of split applications of nitrogen lately? This will give your corn a much greater performance boost at a critical stage, especially in no-till systems.

And if you already have your NH-3 applied, consider having 10 pounds or so of 28% nitrogen included when you spray your corn ground this spring.

So far I've been talking corn and soybeans, but many of you also have some pasture or hay ground, and here too there are products, programs and

services that can boost their productivity, value and worth.

Things like frost seeding, spraying for weeds, following a good fertility maintenance program, and so much more, all of which we can help you with here at Two Rivers.

Now, as I said last time, if there are any of these products and programs you are interested in, we need to know about them sooner, not later, since in many cases we need to be able to order in inventories so they can be here when they're needed.

February is the perfect month to address these issues, the ideal time to discuss the benefits and advantages, to evaluate the costs and identify the potential returns and, of course, to firm up the plans and place the orders.

After all, as we tear off the first page of the new calendar, putting January into the history books and starting the new month of February, we see in 75 days or so it's going to be mid-April.

There will more likely than not be equipment running in the fields by then, and those 75 days are going to evaporate very quickly.

See Us Now!

**Have You Been Checking
Your Farm-Stored Grain?
If You Haven't
CHECKED YOUR BINS
In The Past Two Weeks
Then Take Time To
CHECK THEM TODAY
To Prevent Damage
And Quality Deterioration**

**Have You Talked To Us About Your
2007 Crop Insurance Programs/Protection/Needs**

By Tracy Gathman

In January we introduced the newest Two Rivers Customer Service that has been developed to provide our members and patrons with the very best in crop protection, risk management and crop value marketing protection as we have joined forces with Agri-Business Insurance Services (ABIS) and their experienced local representative Eric Sorensen.

Since that time Eric has had an opportunity to meet with a number of our customers to visit with them about the products and programs ABIS offers, and has made information about these services available at the counters of all of our locations which you are invited to stop by to pick up to review at your convenience.

If you have not as yet had an opportunity to visit with Eric about the ABIS products and services we have, Please Do So Soon, since the deadline for completing your 2007 crop insurance protection program is March 15th.

I personally feel you will not only be very impressed with the quality, flexibility and value of the programs, products and services available to you, but that you will also find Eric's knowledge and experience to be very valuable in matching your needs to the crop risk and marketing protection products best suited to your farming operation.

**Seed
&
Stuff**
By
Jay
Van Woerkom



One of the most important seed corn buying decisions you need to make in the weeks ahead is actually for the hybrids that will be planted on the least number of acres of your farm's corn ground - **The Refuge Acres!**

The risk of insects building resistance is very real, however we can all help minimize it tremendously through proper planning and management, and it is very important we self-regulate these refuge requirements so have the maximum flexibility to benefit from these technologies for the future.

A "**Refuge**" is simply a block or strip of corn that does not contain any of the B.t. Corn technology that has been developed to control targeted insect pests (European or Southwestern Corn Borers).

It needs to be planted to a corn hybrid that is as close as possible to and in some cases even the same as the hybrid that contains B.t. technology, and we can advise you of those hybrids that are best suited to your refuge needs.

Additional management recommendations include:

- * **Plant a refuge** on every farm where B.t. corn hybrids will be planted.

- * **Plant the refuge** within 1/4 to 1/2 mile (1/4 mile is preferred) at the same time the B.t. corn is planted.

- * **Manage the refuge** the same as the B.t. corn, since reducing inputs or putting the refuge on marginal ground reduces its effectiveness.

- * **Do not mix** non-B.t. seed with B.t. seed for use in the refuge. The entire refuge must be planted to a non-B.t. hybrid.

The Two Rivers Agronomists can assist you with seed selection as well as other management and planting tips for refuge acres that will enable us to continue to utilize the benefits and advantages these technologies have made available to us for many years to come.

Stop in or give one of us a call and we can take care of putting together the program and lining up the hybrids you'll be needing.

**Congratulations To Proud Parents
Jason & Kara Smit
On The January 17th
Birth Of Son
KOLTAN JAY**



**Feed
For
Thought**
By
Jason Smit

We're pleased to be introducing **Something New For 2007** from your Two Rivers Feed Team.

It's our **Twine & Baling Wrap Booking Program**, which will provide our customers with a **Tremendous Opportunity** to lock in **Tremendous Savings** on all of their needs by placing orders with us during the **Pre-Spring Booking Program**.

We will be offering a complete selection of **Top Quality** twine and baling wrap supplies for you to choose from and all, as I said, at **Very Competitive Prices** when you place your booking orders.

I anticipate we will have all of the details and the pricing established by mid-February, so please feel free to contact Nick or me here at Pella to discuss the details and to place your booking orders.

As with the other booking pro-

grams we offer here at Two Rivers, our **Twine & Baling Wrap Booking Program** will have a variety of flexible delivery, payment and inventory options to choose from, so be sure to ask for those that are the best fit for you.

Another item I wanted to address this month is soybean meal pricing, which has generated a few calls lately due to the volatility we're seeing in the marketplace.

Soybean meal prices are established on a weekly basis at Two Rivers, and we make every effort to see that the price that we set for the week will be a competitive one.

Yes, over the course of the year there may be times the daily market price drops to make our established weekly price a bit higher.

But there are typically just as many times the price moves up and we are lower, thus creating a balance that our records indicate makes any differences negligible over the long term.

And finally this month, I'll again remind our customers we're still offering some very good savings on all tub products in our on-going **Tub Booking Program**, so if you haven't ordered yet, now's the time to stop in or pick up the phone to order..

**Talk To Two Rivers Agronomists
About Genetic Grain Marketability**

By Tracy Gathman

The tremendous advances in crop technologies and genetics have given us some amazing new seed products to plant in 2007, with many containing weed, insect and disease protection options alone or in many cases in double or even triple stacked trait alternatives all combined in each seed.

As you make your plans and decisions for spring, you need to be aware that "As Of This Writing" there are still some market destinations which have certain restrictions placed on specific genetically modified grain products.

I have emphasized the "As Of This Writing" intentionally, since I am hopeful these marketing issues will be successfully addressed and resolved in the very near future to enable the grain produced from these seeds to be acceptable to our market destinations.

Having said that, however, I definitely feel it will be in everyone's best interests to discuss this issue with their seed supplier, to ask questions and to get the details so they can be aware of any potential handling/marketing restrictions.

Robby and Jay, Matt and Scott have all the details, information and answers you'll need, so please do not hesitate contacting them.



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

Sometime within the next 45 days or so you will be receiving a special mailing from Two Rivers containing the complete details about our new **Condo Storage Project**.

I encourage you to be watching your mail for this information to arrive and, furthermore, I also encourage you to take time to review it when it does.

Your Board of Directors and I all feel this information can be invaluable to you as you address a number of crucial issues which will have a significant impact on you and your farming operation for 2007, and on into the future.

Furthermore, we believe it will be very important for you to carefully evaluate your participation in this project and how it relates to many of the critical crop production decisions you will be making for your farm.

There is a little less than a week remaining in January as I am writing this month's newsletter article, and at this time it is necessary to be less specific than I would like about the details of this project.

That is because due to certain legal requirements that establish limitations on the amount of specificity one can get into when discussing investment opportunities such as this, I must keep the discussion on this issue in somewhat general terms.

Once all of the legal paperwork has been completed and, as they say, all the i's are dotted and the t's are crossed so that our legal counsel can give us authorization to move forward with the offering, we'll send out the details and will then be free to discuss them with you more completely.

What I can tell you is that at a special meeting of the Board of Directors in January, your Board has given their approval to expand and upgrade our grain receiving, handling and storage capacities and capabilities at the Monroe location.

At this time it is our intention to erect two steel grain bins with a combined storage capacity of 650,000

bushels on a site located east of Hwy 14 and just behind the existing Monroe office and warehouse facilities.

Also included in this project will be a high-volume receiving pit that will be of sufficient size to handle the large delivery equipment so many of our customers use to bring their bushels to town, along with a high-speed receiving leg with 15,000 bushels per hour capacity.

There are, as I am sure everyone is fully aware, a number of key factors that are serving as the driving forces behind your Board's decision to investigate this grain expansion and upgrade project.

First and foremost, of course, are the dramatic and unprecedented shifts we are seeing take place in our markets and marketplace, much of it fueled by the focus on decreasing this country's reliance on foreign energy sources through the tremendous expansion into domestically produced renewable energy.

This, in turn, has created an entirely new category of demand for corn, one which is prompting a fundamental shift in the historic crop rotation system as higher corn prices "buy" more corn acres.

At this point it's virtually impossible to predict just how many more of our local acres will be planted to corn, but many projections seem to indicate we will need to plant 10 and perhaps as much as 11 million more acres to corn nationwide to meet the increased demand for corn in 2007, and certainly many local growers will contribute their share of those acres.

Looking ahead, therefore, it is obvious Two Rivers needs to continue to expand its grain storage capacities

even further, since this was an area of need the Board and Management identified as crucial several years ago, and one which we have been addressing with on-going upgrade and expansion projects each year since then.

Handling larger volumes of corn, and being able to do so smoothly, efficiently and with the high-speed capabilities at which today's larger combines and grain delivery equipment are bringing them in, is yet another key piece of the puzzle that this project addresses.

Furthermore, as we look even further down the road into the future at the site on which this project will be developed, there is also the space and flexibility to accommodate additional expansion and upgrade projects for our Monroe location that will enable Two Rivers to create additional efficiencies, and thus further enhance customer service capabilities.

With all of these things in mind, I encourage you to be watching your mail for the information and details on this project to arrive so you can evaluate it and it's merits, and determine how it can address many of your future crop production decisions and grain storage, handling and marketing needs.

Obviously, I also encourage you to feel free to ask questions and to talk to us about this project, your interests and needs as we begin to lay the groundwork for what promises to be a very interesting and very exciting time for all of us as crop production, grain handling, marketing and markets enter a new era.

This is an very exciting time for all of agriculture, and we need to plan and position well to be a part of it.



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