



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

February, 2008



Crop Talk

By
Robby
Wilson

GROWER MEETING

The first item of business this month is to give a *Heads Up* to everyone that we're planning to have a *Grower Information Meeting* during early February, but as we go to press, the final details and arrangements have not been completed.

Most likely, it will be during the first couple of weeks and, as has been the custom, we'll have a morning meeting at the Monroe Legion, with lunch served right after the meeting is over.

The entire program agenda hasn't been established as yet either, but I am sure one of the main topics we'll be discussing with you at this meeting will be *Proper Seed Placement* to best match your soil types, management practices and specific stress situations.

Also, I am sure we will have additional information on one of the hotter and newer crop management strategies, namely *Application Of Fungicides To Corn*.

There are a lot of significant results we have observed from our own test plots, and from trials many of our customers planted this past year, that will demonstrate the role fungicides can play to improve overall crop health, performance and yields, and we'll have this information at the meeting.

Also, I am confident that by the time this meeting is held we will have all the final details in place regarding the *Crop Nutrient Contracting* pro-



Pictured above is the new 5,000 gallon LP truck that Louie Kamerick will be driving to provide service to our energy customers on the routes in the Altoona, Monroe, Newton, Reasnor and Runnells areas.

It replaces a 2,950 gallon delivery truck Louie has been driving, and the larger capacity enables us to be more efficient by bringing over 2,000 gallons more fuel out with each trip into the country.

gram that we are currently developing, and which Tracy has talked about in greater detail in his article this month.

I feel there's only one way we're going to be able to effectively and successfully deal with all the changes and challenges that have been created as the fertilizer industry has been overhauled in recent years, changing the marketplace and markets we operate in dramatically.

That's by *Working Together*, and doing so perhaps more closely than we have ever worked together in the past, to plan the most productive fertilizer programs for every acre that is planted, and to secure the proper volumes of the nutrients needed at the most economical cost and in the most timely manner.

Working Together is what Two Rivers Cooperative has always been about, and I don't think there's been any issue as serious, as challenging or as filled with risks as those we now face in fulfilling our commitment to secure your crop nutrient needs in the

volumes you need, for the time frame they will be applied, and at the most competitive prices.

But as I said, it all boils down to *Working Together* through your cooperative, and if we fail to do that, I believe the consequences will be severe, costly and long lasting.

Something else that will more than likely find its way on the agenda at our Grower Meeting is a look at this year's *Crop Protection Strategies*, and we'll be taking a few more steps beyond the fungicide results I mentioned earlier.

While there really is nothing "new" in terms of chemicals for this season, we will be having a second look at a few strategies that have been reintroduced with a few different twists to battle weed pressures in soybeans during the critical early stages of the season.

I don't think anyone will argue with the obvious: *Weed Pressure Costs*

CROP TALK

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Fuel Facts

By
Scott
Bensink

It's been a few years since we have had a winter season that started out this early, stayed with us this long without a break and, as a look at the thermometer lately has shown, which gave us such a long stretch of sub-freezing and, in some cases, single digit lows.

No doubt about it, energy usage is running quite a bit higher during these extended cold spells, so it will be even more important than ever for "Everyone" to periodically check on their LP and home heating supplies.

I emphasize "everyone" intentionally, because even if you're on one of the *Keep Full Routes*, it is still very much appreciated to have customers check their gauge every once in a while, just in case there's a spike in usage before the next delivery.

The Energy Team has been running the routes steadily for the past couple of months, often in some very challenging conditions, and believe me, it's been a struggle getting through with all the ice, drifts and cold temperatures.

They have asked me to express their thanks and appreciation to all the customers who have kept the drives and lanes open, and for doing their best to also keep the path open to the tanks so they can haul those heavy hoses from the truck.

Fuel prices have eased off some, but who knows how much longer that will last, since rather than any fundamental supply and demand factors to drive the dip, the softening of prices is following a weaker dollar value and the retreat we're seeing in the financial markets.

Remember, just because we have a softer market today doesn't mean we can expect prices will remain soft as spring work gets underway.

Speaking of which, we have had a number of customers taking advantage of our current contracting offer, and I once again encourage you to look at this as an opportunity to *Layer In Supply* over time, thus creating good savings on your overall seasonal needs.

Yes, it's always possible a person who holds off hoping for a soft in-season price may get a chance to save a few cents per gallon "IF" there's a

market downturn.

But as we all know from experience and history, the downside potential in our fuel market is typically measured in a few pennies at a time, whereas the upside can be in leaps and bounds that add up to dimes, quarters and more overnight.

Finally this month, now would be a great time to investigate the savings, convenience and flexibility of our *Bulk Oil* programs and services with Eric. Give us a call and he can stop by to give you all the details.

CROP TALK

Continued From Page 1

You Money, and that's especially true during the all-important early stages of the season when the soybean plant is so much more vulnerable and susceptible to challenges.

Weeds have an advantage over the bean crop because if you don't put out a control at the start of the season, weed seeds germinate, start to grow and be established before you get your bean crop planted, up and growing.

That "*Head Start*" gives them a competitive advantage for the moisture, nutrients and sunlight your bean crop must have to benefit from solid early season growth and vigor, both of which translate into healthier plants that can better combat the various stresses Mother Nature can send our way each season.

Controlling weeds right out of the starting gate gives you a stronger, healthier, more vigorous plant that is in the best shape to overcome insects and diseases until you're ready to apply the post controls, and of course that translates into higher yields for you at harvest time.

A product many of you are familiar with from previous years is Authority, and this year it's coming back into the picture in two different forms:

Authority First, which is a mix of Authority and First Rate.

Authority MTZ, which is Authority mixed with Sencor.

These products have proven themselves well as individual or tank mix applications before the big shift to the Roundup Ready technologies, and they would make a *Very Good Choice* to put down in front of your Roundup Ready soybeans now to hold the line on weed pressures during the crucial early season stage.

Again, weeds cost you money, and at today's market prices for soybeans, every bushel of bean yield lost is a nice chunk of change.

Saving just a single bushel of \$12.00 per bushel soybeans per acre would pay for these pre-plant and pre-emerge strategies, and I'm sure that you'll get a lot better savings than just one bushel per acre if you put these pre strategies to work for you, for your fields, and for your crop.

Finally this month, *We Need Your Help*, and I am therefore asking all of our customers to review their lime and dry fertilizer needs with one of the Agronomy Team sometime soon so we can discuss the options.

As you recall, the full focus of manpower and equipment was on taking care of NH-3 applications this past fall, which benefited everyone a great deal, however that also meant the other fall application programs were pushed to the back burner.

Then snow and ice hit the fields right after Thanksgiving, and there hasn't been any relief from either since then. Nor does it appear there's one coming anytime soon.

The bottom line is that unlike past winter seasons, we've barely turned a wheel on lime or dry fertilizer applications, and we're therefore going to need some added flexibility and cooperation from our customers to be able to get an earlier start on these spreading chores.

Talk to us about what you need to have spread and give us the opportunity to work with you on setting up some winter spreading services before these fields thaw out, turn to mud and we're both behind the eight ball with no good choices remaining.

Do You Need To Re-Certify For 2008?
CHECK YOUR PESTICIDE LICENSE
To See If It Expired 12-31-07
And Then Check With Your County Extension Office
For The Times/Dates/Locations Of Upcoming
PRIVATE PESTICIDE APPLICATOR
Testing & Continuing Instruction Sessions
That Will Be Held In Our Area

Seed & Stuff

By
Jay
Van Woerkom



As the consolidation of the seed industry continues, we have many of the smaller seed companies aligning with one of the several large suppliers, and as this takes place we need to remember the importance of staying up to date with the different genetic types of seed we plant each season.

There is no "Perfect Hybrid" for every situation. If there was, everyone would plant just one hybrid.

Instead, each hybrid has a specific set of genetic characteristics dedicated to a specific set of soil types, fertility levels, production practices and environmental conditions that enables it to maximize its full genetic potential for performance and yield.

The most beneficial environment for each hybrid to demonstrate its genetic potential depends on the various strengths and weaknesses of the genetic families used by the plant breeder in developing that hybrid.

There are, for example, Nine Corn Genetic Families, and their development actually began many years ago by farmers using the earliest type of plant breeding, called mass selection, as they saved the best seed for the next year's crop.

While this "save the best ear" selection method worked well up to a point for the nation's early farmers, it was only partially effective because corn is cross pollinated.

As a result, seed saved from one year's crop had only half the genetics from that plant, with the other half contributed by neighboring plants.

This ushered in the hybridization system in which control of both the female seed-bearing plant and the male pollen source enabled plant breeders to combine several genetic families into one hybrid, merging the strengths of each in the process.

At the same time, this gives plant breeders the opportunity to correct weaknesses in a particular genetic family, and it is this genetic diversity that increases the probability of achieving consistently higher yielding crops.

Planting only one genetic type (family) risks the entire crop if specific

growing conditions and/or environments expose a particular weakness common to that genetic family.

Your Two Rivers Seed Team and our Agronomists have continued to work very closely with our seed suppliers, who represent the leaders in seed genetics and technologies, to have the latest information needed to help you select, position and plant the best match of seed genetic families with your soil types and management.

Please contact us now to finalize any remaining seed choices you will need to round out your 2008 needs.

Also keep in mind that issues of genetics play a key role when it comes time to select the Bt hybrids and conventional hybrids that are to be planted in refuge acres.

Western genetic family hybrids with a high native tolerance are the optimum choice for refuge acres and are the least responsive to Bt genetics.

Southern hybrid families tolerate sandy soils the best and, with their large ear size and strong ear flex, allow for reduced plant populations as a hedge against drought.

Eastern types handle clay and saturated soils better because they have deep penetrating root systems.

Again, your Two Rivers Team can assist you in matching the best of these hybrids to your specific needs.

Finally, you need to be aware that there are some concerns about seed germination from *All Seed Suppliers* this season as a result of the wet conditions we received just prior to harvest.

Seed quality and germination problems make seed treatments an even more valuable consideration for your soybean crop this season, providing the added measure of protection from attack by disease and insects that will make a big difference to stand counts, plant performance during the early stages of development, and yields.

Feed For Thought

By
Jason Smit



In the weeks ahead I am going to be conducting an evaluation of our entire lineup of "floor stock" feed and animal health products, using sales volume histories to help make decisions on how we will inventory certain products for the future.

The objective is to better manage our space to provide ample room for those products which are being used regularly by our customers so that we can always have those higher volume items in stock for your added convenience when you stop in.

We'll also try to eliminate duplications and products that are almost identical in virtually all aspects, and to perhaps even discontinue handling some products which are no longer in use or which have been replaced by a more convenient, effective or economical alternative.

If there are any specific products which you specifically want us to be sure we continue to handle for you, even if your needs are limited, we definitely want to hear from you so that product(s) can be retained.

Likewise, if there are products you are using that we don't handle, we want to hear about those items as well, since our goal is to carry all of the items our customers need in stock for added convenience.

Please communicate your preferences to me to assist in this process so our inventories can reflect the needs of our customers and best serve them for the future.

ATTENTION AREA BEEF PRODUCERS

We Invite You To Attend Our Special

FEEDLOT INFORMATION MEETING

Wednesday, February 13th At 11:00 a.m.

In The Pella Office Meeting Room

*** Topics Of Discussion Will Include ***

Feedlot Design * Feedlot Regulations

Utilization Of Liquid Feeds In Feedlots

Guest Speakers From Land O' Lakes Feed, Iowa DNR & QLF
Will Join Us To Present Information & Answer Your Questions



As I See It
By Tracy Gathman
General Manager

There's a little over a week remaining in January as we're putting this issue together, and as the planning and decision making for the 2008 crop starts to take on an ever-increasing intensity, among the most serious issues that need to be addressed are crop nutrient prices and availability.

Nitrogen is perhaps the nutrient of greatest concern, and here I am talking about all forms of N, but there are also very similar concerns for pricing and availability of potash.

Remarkably, the issue of price is much easier to discuss, since for the most part it's an open and shut case.

After all, as we all know, prices have increased steadily in recent years, they were significantly higher last fall, they have continued to push even higher this winter, and the outlook for in-season is for prices to be higher still.

And as we've been discussing in newsletter articles the past few months, there's little mystery as to why prices have gone on this wild ride.

Fundamental changes in the crop nutrient industry have caused the number of sources of supply for N-P-K to shrink dramatically, there are no longer any cooperatively owned influences in the marketplace, and there's been a tremendous growth in the worldwide demand for crop nutrients.

There are also much higher costs for the energy used in manufacturing N-P-K, plus higher costs for transportation to move those products from their place of origin.

And of course with higher crop nutrient values and higher costs, the interest expense on nutrient inventories has also soared to become a much more serious and costly concern.

That has meant the risks associated with securing and carrying large volumes of nutrients has also increased substantially, thus manufacturers and suppliers are no longer over-producing and/or stockpiling crop nutrient inventories as they once did.

The combination of all of these situ-

ations has forced a dramatic overhaul in the way in which the crop nutrient industry operates, and in the manner in which the marketplace for all crop nutrients functions, and if we are to effectively operate in this new environment for the future, then we too must address and implement change.

Two Rivers is dedicated to providing you, our members and patrons, with a reliable source of supply of competitively priced crop inputs to meet your production needs in the most timely, efficient and economical manner.

That always has been, is now, and will continue to be among our highest priorities.

At the same time, we are also dedicated to protecting and preserving the security and stability of each and every member's cooperative assets and equities from undue risks, and that is also a solid commitment that we fully intend to keep for both the immediate and long term.

I therefore feel it should be clear based on the information which we've been discussing in recent articles, in personal conversations I and members of the Agronomy Team have had with our customers, and from all that has been presented in various forms of the trade media which all of you have access to, that we definitely need to adapt to the changes which have taken place in the crop nutrient industry and marketplace by addressing and implementing effective changes that Two Rivers and its customers need to make in crop nutrient procurement, pricing and risk management.

With that in mind, I am pleased to report that at this time we are in the process of finalizing the details of a program that will enable us to offer our

customers opportunities to contract their crop nutrient needs for the fall of 2008, thus locking in a specific price and supply on the volume contracted while that opportunity is available.

I make this distinction because, as I've mentioned before, the opportunities which we receive from our suppliers to secure inventories are typically limited in terms of time, volume and price, so the opportunities we will be able to offer to our customers to contract their needs will have similar limits.

This program will give each customer an opportunity to evaluate contracting opportunities and make the decision whether to lock in all or a portion of their farming operation's nutrient needs, and also give you an option of pre-paying when you place the order, or to give us a down payment to lock in a supply and price.

As of this writing, we have not had any fall nutrient offers extended by our suppliers, however, I anticipate that will change in the near future.

We feel this contracting program will provide Two Rivers and the customers it serves the best possible means to manage pricing and supply risks, since with the changes that have taken place in the crop nutrient industry, I fully expect there to be serious consequences for not having all anticipated crop nutrient supply needs locked in when the time comes for those products to be applied.

Virtually the entire state of Iowa was completely dry of NH-3 this past fall, with no product available from any source at any price, and I firmly believe that should have given us a very clear indication of how the marketplace can be expected to function in the foreseeable future.



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Pella, Iowa 50219

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