



Two Rivers

Cooperative

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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, 2007



Crop Talk

By
Robby
Wilson

As you can see in the announcement on this page, this year's **Two Rivers Pre-Pay Open House** will give you an outstanding opportunity to lock in prices and supplies before our rates change on January 20th.

Be sure you take time to stop in to place your orders for all of your 2007 crop inputs to lock in the significant savings being offered.

Obviously, the major focus of attention is to firm up and finalize the major crop input needs our customers will have for their fields when spring arrives.

This includes the N-P-K, the corn hybrids and soybean varieties that haven't been filled in earlier, and of course the majority, if not all, of the herbicide products you'll be using.

These are **The Basics** of crop production that comprise the majority of your input decisions, and the majority of our inventories, and therefore we want and need to get them locked in as early as possible,

This not only saves you money on production expenses, it also saves Two Rivers on inventory expenses, which saves everyone in the long run.

Plus, these early orders will assure you and us that we'll have all the right supplies on hand in the volumes needed before the season arrives, thus avoiding in-season snags with availability, higher costs, etc.

This year I'd like to see everyone

bring something new to this process and, to borrow a term we hear all too often in today's athletics, **Take It To The Next Level** as they make plans, decisions and place orders for spring needs.

It starts by asking all of you to take a good, long look at your entire farming operation and the total package of crop inputs you will be needing, some of which are not a part of the "normal" inventory we have a steady supply of on hand at all times.

For example, some of you may want to use liquid starter fertilizers, some may have a preference for different seed inoculant products, some might want us to supply them with nitrogen stabilizing products.

Perhaps there are certain chemical products you might have a use for in special situations.

Or maybe there are specific insecticide products and programs you've had good success with in different fields that you'll want to have on hand for your farm.

Maybe you have seen, heard or read about something new or different that you haven't used before that you'd like to run a trial on to see how it might work in your fields.

I'm sure there are also some of you who might need different small seed grasses or grass mixtures for parts of your farm, and again, those are supplies that we may need to order in ahead of time.

I could continue on with this list for quite a while, but by now I think you see what I'm driving at.

The bottom line is that in so many respects the planning, making decisions and ordering of inputs for your farming operation is a lot like putting together a recipe.

You obviously have to be sure you have all **The Basics** lined up before you start, such as the seed, fertilizer and chemicals, as I mentioned at the start of this discussion.

But there are also many other **A Sprinkle Of This & A Dash Of That** ingredients that your crops must have if the final results in the fall are going to be successful, and those are the ones we want to cover with you in the weeks ahead.

Take a little time to do a thorough evaluation of your entire farming operation and its needs so we can get the inventories of these additional inputs lined up and locked in to save money and to assure supply.

Stop In To See Us At
TWO RIVERS COOPERATIVE
PRE-PAY OPEN HOUSE 2007
Wednesday, January 10th At Pella & Tracy
Thursday, January 11th At Otley & Monroe
SERVING SOUP & SANDWICHES 10:00 - 2:00
And Serving Up Great Input Savings
Good Conversation & Friendship All Day
STOP IN TO PLACE YOUR PRE-PAY ORDERS
TO LOCK IN MAXIMUM 2007 INPUT SAVINGS
Before The Rates Increase On January 20th



**Fuel
Facts
By
Scott
Bensink**

SPRING CONTRACTING: Fuel and energy prices were a lot less volatile in their movements during the month of December compared to the big price swings we had been seeing leading up to the start of the fall harvest season.

It's nice not to be shocked at seeing prices move up a dime or more during the course of a day, and/or to drive by the pumps in the morning to see that overnight the price changed significantly from the one you saw when you drove by the night before.

That being said, there was a gradual trend to higher prices underway as December was coming to a close, and while part of this may be related to the typical holiday season influence we normally see on prices, there are also several other factors involved that will continue to have an impact now that the holidays have come and gone.

One of these is, as always **The Weather**, since the severity or moderation of the winter season is always a force in determining the overall supply and demand picture.

Locally, Mother Nature has been very kind thus far, although one doesn't need to travel very far to find areas where some absolutely horrible winter weather conditions have hit.

There was a big ice and snow storm that caused all sorts of havoc to the south of Iowa in a path that traveled from Texas and Oklahoma across Missouri, parts of Arkansas and into Illinois.

And more recently we've all seen the amazing pre-Christmas snow storm that crippled Denver and other areas in states to the west of us.

If and when these winter storms strike in the eastern states, the effects on fuel/energy supply and demand

**CHECK YOUR BINS REGULARLY
TO PREVENT DAMAGE & QUALITY PROBLEMS**

The unseasonably warm weather we've had this winter could be causing corn and/or soybeans that was combined when outside temperatures were in the 50s and 60s this fall and stored at higher moisture levels to heat up and spoil. Check your bins weekly to make sure grain is staying in good condition and at high quality.

fundamentals will be even more dramatic, so we'll need to be watching for how winter weather plays out in what is still a long winter ahead.

The other major influencing factor in the mix is, again as always, the growing tensions in the Middle East, which is always a flash point for extreme price volatility in our markets.

With the uncertainty of these 2 major factors in mind, we have once again taken advantage of the recent period of calm in the marketplace to lock in a supply of diesel fuel with our suppliers so that we can offer a **Spring Diesel Fuel Contract** to customers interested in locking in some of their needs with us at this time.

Get in touch with the Two Rivers Fuel Team to discuss your needs and how using this **Spring Diesel Fuel Contract** for product delivered March through May of 2007 can fit into your plans.

LP Notes: We're running the LP Keep Full Routes at this time, and I therefore want to take this opportunity to remind all of the customers who are in the Will Call In category to be sure to keep a very close watch on their on-farm inventories throughout the remainder of the heating season.

Remember, if your tank runs out it

is necessary to have the system pressure tested before we can deliver LP to the tank, so running out is definitely a time-sensitive and costly proposition you want to avoid.

Additionally, please keep in mind there is an added surcharge if it is necessary for our drivers to make same-day delivery.

SOY BIODIESEL NEWS: Our fuel suppliers have assured us their research and that of other independent sources verifies **a Soy BioDiesel blend of Up To 5% can be treated** with cold flow fuel additive products to achieve the same winter season protection and performance as conventional diesel fuel products similarly blended with these fuel treatments.

Percentages of Soy BioDiesel exceeding 5% are not recommended for use in cold weather conditions.

Additionally, for optimum performance and protection, you must treat your fuel supply with cold flow treatment products **BEFORE** the temperatures drop below freezing for a sufficient period of time to cause wax crystallization in the fuel.

Contact the Two Rivers Fuel Team if you have any questions on this issue so we can keep you updated.

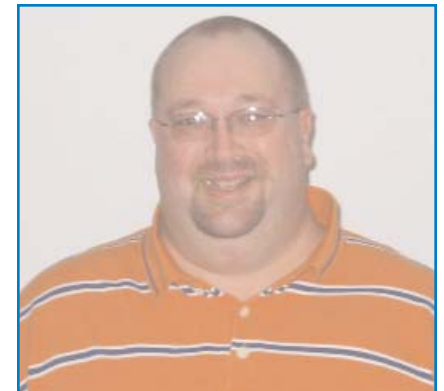
**Please Welcome Scott Hitzemann
To The Two Rivers Agronomy Team**

We are pleased to introduce Scott to all of you this month as he begins his duties in Agronomy Sales & Customer Services with our cooperative. Scott will be working out of Otley and Tracy locations to provide quality services to our customers with all of their crop production needs.

Scott is originally from the central Nebraska area and brings over 20 years of experience in working in the agronomy industry with him, the past 5 years of which was as a custom applicator with Crop Production Services in the Mingo area.

Scott has also been attending Iowa State University and has a Bachelors Degree with the major emphasis being in Ag Studies and a minor in Agronomy. He and his wife Jennifer will be moving into their new home in Pella in early January and are looking forward to getting settled into our area.

For hobbies, Scott indicates he enjoys fishing, playing golf, watching NASCAR events and quality time with the family.



**FOR SALE
1,500 Gallon
Cone Bottom Poly Tank
\$150.00**

**Call Dick At The Otley Location
If You're Interested**

Seed & Stuff By Jay

Van Woerkom



I have quite a few things to cover this time, so it will be necessary to make my comments brief on each and I ask you to **Please Call Or Stop In** if you have additional questions or want more information on any of these issues.

Seed Orders Need To Be Firmed Up as soon as possible, especially if there are specific traits that you are wanting to lock in for your fields.

In soybeans, you need to take time with your Two Rivers Staff to plan your seed purchases to be sure the specific disease trait packages you want are included in the varieties you order.

These would include varieties with **Sudden Death Syndrome** (SDS) protection and those with **Soybean Cyst Nematode** (SCN) protection.

It also may include varieties that will have a greater tolerance and/or resistance level to **Brown Stem Rot** (BSR) and any of the other troublesome diseases you encounter in the fields, and even to planning for varieties best suited to different management practices developed to deal with **Soybean Aphids**.

Locking in your seed size preferences is another part of the package that needs to be discussed as we're planning your needs, and here again the earlier you order, the better.

Genetic protection is only part of the equation to assure top yields, and once again for 2007 your Two Rivers Co-op will be offering seed treating services using our state-of-the-art commercial seed treating equipment and **Cruiser Maxx** and **Warden RTA**, alone or in combination.

These seed treatments have delivered some very good results for customers using them, with increased yields from every acre thanks to having a healthier, more uniform and consistent stand that can withstand a broad spectrum of potential disease and insect stresses.

It is never too early to plan ahead for these treatments, so talk to the Two Rivers Team about your needs now and we can get these services

planned in advance.

Finally, as you make your final seed choices in both corn and soybeans, be sure you visit with us about the different offensive and defensive seed strategies that address a broad range of disease/insect resistance, soil types and weather.

We can help you spread your risks using the offensive/defensive characteristics best suited to your fields so that your entire crop will be in the best position to perform and yield at a solid potential.

We'll See You At The Two Rivers Pre-Pay Open House and in the weeks ahead to get these seed decisions covered and your farming operation set for success.



Feed For Thought By Jason Smit

As Tracy discusses in his article elsewhere, we will be focusing on filling the position of Beef Specialist as soon as possible in the weeks ahead.

Our objective will be to bring someone with a solid background and experience on board so we can continue to provide the highest quality services and expertise in both nutrition and management to our producers and their operations.

In the meantime, I ask you to feel free to contact Nick at the Monroe location or me here at the Pella location if you have any questions, need service or assistance in any phase of

your beef operation.

Moving on to other items of business, last month I discussed issues related to DDG supplies and costs at length in my newsletter article, and since that time we have seen some signs that the market may be stabilizing a bit, at least for now.

DDG prices are still elevated and supply situations continue to change frequently, as we should expect in this relatively new and still rapidly expanding and evolving industry.

We have, after all, entered new and uncharted territory with the rapid expansion of the ethanol industry and the subsequent use of the by-products of ethanol production as a new source of beef, swine and poultry nutrition.

Ultimately, as with every other commodity, over time the market will define itself, supply and demand fundamentals will stabilize and prices will seek a natural, normal, more predictable and more stable level.

Perhaps we're already seeing the initial signs of this, since as always, the best cure for high prices is high prices, just as it's always been for the opposite end of the spectrum with low prices a cure for low prices.

Finally this month, in the near future our pork producers will begin to see a return of the smaller size pellets in the 2nd Stage Nursery rations we'll be manufacturing and delivering.

The larger size pellets some of you have called to comment on will be replaced with these smaller pellets as the current inventories are exhausted, and I wanted to take advantage of this opportunity in the newsletter to give you a **Heads Up** this transition is underway.

A Negative SCN Test Is Not 100% Conclusive Evidence A Field Is SCN-Free

By Jay Van Woerkom

There are two main reasons why not finding Soybean Cyst Nematode in soil samples analyzed isn't sufficient proof of no SCN presence in the field.

The first reason is because the extraction process used to obtain SCN and SCN eggs from the soil are not always 100% effective, therefore some samples that contain SCN at very low densities may not test positive when the sample is processed.

The second reason is because the distribution of SCN within a field can vary greatly and it's possible no samples were taken from those areas of the field where SCN populations are the greatest.

With a less than 100% potential to obtain an accurate assessment of the SCN population from a single set of samples, it is therefore recommended to have follow up sampling conducted to re-check for SCN in subsequent years.

Talk to your Two Rivers Agronomists if you suspect there are any SCN problems in any of your fields.



As I See It
By Tracy Gathman
General Manager

The holiday season is always a busy, fun-filled and exciting time of the year for all of us, and this year was certainly no exception.

I sincerely hope all of you and your families were able to share in the joys of the season, the wonderful experiences and enjoyable activities the season brings, and that there were many fond memories created for all of you to add to those of previous years and past celebrations.

The arrival of the new year means it's **Time For Business** to begin again, so let's get started.

PROTECTION FROM RISK: The first item to mention is that Two Rivers is pleased to introduce a **New Customer Service** that we will be offering.

It's one we're very excited about, and one we feel is more valuable, important and beneficial for all of our customers to investigate and utilize in these times of volatile markets and marketplaces.

The service is **Crop Insurance**, which Two Rivers will now be offering in conjunction with Agri-Business Insurance Services (ABIS), the same firm who handles the cooperative's insurance.

The experienced individual who will be handling this service for ABIS, and who will be working closely with the Two Rivers Agronomy Team to fine-tune and customize risk protection for customers, is **Eric Sorensen**, who has worked exclusively in the crop insurance field for the past nine years.

I am sure everyone is familiar with the historic role of using crop insurance as protection for their crop from the various natural risks that would significantly reduce yields.

That role is still an important one, of course, and one that remains basic to the crop insurance policies and programs offered yet today.

At the same time, however, we are all now operating in a much more volatile, fast-changing and unpredictable marketplace, one in which the

prices the market pays for our corn and soybean crops (old and new) can and often do change very quickly and very dramatically.

Our costs are greater, our investments are greater, and while the rewards for making the right marketing decision are greater, the consequences for making the wrong decisions are also greater, as are the risks each farmer and farming operation faces.

This has expanded and broadened the role of crop insurance so that it now also includes providing crop yield and crop value protection from market and marketing risks.

For example, with the new crop corn market recently offering over \$3.50 per bushel for corn delivered at harvest time in the fall of 2007, I am sure many farmers are planning on planting an additional percentage of their acres to corn in 2007 in response to the market offering such an attractive incentive.

We've had a glimpse at the preliminary planting intentions estimates that indicates a substantial shift in the traditional corn/soybean rotation system is likely, but USDA won't give us an official figure until March 30th, and who knows what might happen by then?

Plus, as always, Mother Nature has a role in what percentages ultimately get planted, so that's taking us out until the late spring.

That's a long time, a lot can happen, and a lot can change in that time, therefore using crop insurance as a tool in your overall marketing strategy can offer you an opportunity to maximize your profit potential and protect you from risks.

This is just one way that Two Rivers

and **ABIS Crop Insurance Specialist Eric Sorensen** can help you and your farming operation be in the best possible position to seize the best opportunities the market offers.

Therefore, as you continue to finalize and firm up your plans and decisions for the 2007 crop season, please consider setting up a time to visit with Eric at the Two Rivers Pella or Monroe location to ask him your questions and to have him explain the valuable new crop insurance services Two Rivers is now offering for its customers.

THANKS TO HEATHER: A second bit of news to discuss this time is, regrettably, to inform customers that **Heather Steffen** has accepted a job offer from an advertising firm located closer to her home and family in northeastern Iowa, and has submitted her resignation as our Beef Specialist.

Heather did a fine job during her time with us at Two Rivers, and we certainly thank her and wish her the best with her new career experiences.

The support, business and interest that has been expressed by our area beef producers in the type of programs and services Heather brought to their beef operations has confirmed my belief this is a valuable part of the overall customer service package Two Rivers needs to be committed to offering now and for the future.

We will therefore be seeking to fill this position with a qualified and experienced individual as soon as possible.

In the meantime, I ask all of our area beef producers to work closely with Nick in Monroe and Jason in Pella on all of their product, nutrition and service needs so we can continue to provide everyone with the best possible service.



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