



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, 2009



Crop Talk

By
Robby
Wilson

As you can see in the ad to the right, we've scheduled **Open House** for **January 13th and 14th** at your local Two Rivers Co-op offices, and this will be a great way for you to get the new year started off.

We hope all of you will take advantage of this opportunity to stop in for a bite to eat, plenty of good conversation with your friends and neighbors.

And, of course, while you're there you can also take advantage of this opportunity to get the ball rolling on your 2009 plans, programs and decisions with some very attractive pre-pay pricing on production inputs.

There continues to be a lot of exciting developments taking place with advances in seed technologies and genetic trait stacking, but as far as herbicide products are concerned, there's really nothing new on the shelf for this coming year.

In fact, I feel the most significant thing to focus on as you're making plans and decisions on your corn and soybean strategies, is to take a step back in history and take a second long-close look at products, programs and strategies that have already proven their value in your fields.

I'm talking about those **pre-plant and pre-emerge chemistries** that were so effective and such a big part of your crop protection strategies before the big surge to the Roundup Ready/glyphosate post era took over.

We Look Forward To Seeing All Of You At
TWO RIVERS OPEN HOUSE
Tuesday, January 13th - Otley & Monroe
Wednesday, January 14th - Pella & Tracy
Serving Lunch & Refreshments 10:00 to 2:00
SERVING UP GREAT PRE-PAY PRICES & SAVINGS
ON 2009 PRODUCTION INPUTS ALL DAY

Take advantage of this opportunity to stop in to your local Two Rivers office to join your friends and neighbors for a bite to eat, to compare the list of gifts given and received for the holidays, to debate the figures in the January 12th USDA Reports, and to lock in savings on your 2009 crop and livestock production inputs when you place your orders with our Agronomy-Feed-Fuel Teams.

DON'T MISS THIS OPPORTUNITY TO LOCK IN
ATTRACTIVE PRICES ON YOUR SPRING SUPPLY NEEDS

These products and the “pre” strategy are still viable and valuable, and we need look no further than last year to see how and why they still make good sense, why they still fulfill a vital role in your fields, and why you need to put the “pre” chemistries to work for you.

We saw, and our customers saw, a dramatic difference and a noticeable yield advantage in field after field of corn and soybeans where a pre-plant or pre-emerge herbicide was applied in front of the planned post program.

In many cases, it wasn't necessary to have a second post treatment applied thanks to the performance and protection the pre-products gave, and that included many fields of Roundup Ready corn.

As you know, Mother Nature presented all of us with a lot of challenges a year ago, with a late start, soggy field conditions and the combination of a post spraying workload that continued to grow while the days we could spray continued to shrink.

And this is exactly where using the pre-products definitely shined in so many fields for 2008.

With something out there holding

the line on weed competition right out of the starting gate, the crop is at an advantage as soon as it starts to grow.

While that's important in any season and under any conditions, even wet ones like 2008, it means even more if we get a dry year, since the heavier the weed competition for moisture and nutrients, the more your crop's performance is affected.

Having a pre-product out there also means there's more flexibility and a wider window of opportunity with the post application.

As a result, you're not at the total mercy of the calendar or the clock, you can reduce the damage caused by running over corn or beans, and you're helping to ease the threat of weeds steadily building an increasingly greater level of resistance caused by repeated applications of Roundup/glyphosate.

Best of all, these programs are **Very Economical** to incorporate into your plans for 2009, and beyond, so I urge you to visit with your Two Rivers Agronomists about them as you're making your decisions in the weeks ahead.



Fuel Facts
By
Scott Bensink

A couple of days before Christmas as I was writing this article, I checked the latest price on crude oil and found it selling at \$38.00 per barrel.

That seems totally unbelievable, but then in a year of huge price moves that has pushed us from one extreme to the next, I suppose it's not as mind-numbing as that.

After all, it was only six months ago that crude prices were breaking the \$150.00 per barrel barrier, and all the trade and industry "experts" were telling us that we could actually see \$200.00 per barrel crude.

And that shows we certainly can't predict where this market will turn next, or when.

I get a lot of people asking me if prices have hit the low point. Perhaps they have, or maybe they still have some room to slip a bit more.

But while I don't have any idea where the bottom of this market is or what the low price might be, I do know just how much higher prices can go because we were there just six months ago.

I guess the point I'm trying to make is that you need to be looking ahead for opportunities to start lining up your spring diesel fuel needs to take advantage of the current weakness in prices, since based on where things are today, they have a lot more room to move up than they have room to move down.

We have contracting prices available, and naturally they include the carry in the market, so please keep that in mind as you evaluate your needs and the process you want to use to **Layer In** your spring fuel supply.

With the markets as volatile, unpredictable and changeable as they are these days, I feel you need to use fuel contracting opportunities in much the same way as you use grain contracting opportunities to sell corn and beans.

No one sells their entire crop all at one time for one price, regardless of how good that price may be.

Instead, grain sales are spread over an extended period of time and at different prices to minimize the risks and to secure a profitable overall average

selling price for the entire crop.

Take a look at your spring needs and give us a call to discuss your pricing goals and how contracting can help you **Layer In** a supply to cover your needs and to minimize your risks in an uncertain and volatile market.

MARK TANKS: I have a **Special Request** to all customers who have underground storage tanks for fuel/energy on the farm - **Please Mark Locations** to assist our drivers and delivery staff.

CLEAR THE WAY: I would also like to ask for everyone's cooperation throughout the remainder of the winter season in keeping the access to fuel/energy tanks as open and accessible as possible so deliveries can be handled as smoothly, safely and in the most timely manner possible.

CHECK SUPPLY: When the temperatures plunge energy use soars, so it's always a good idea to periodically **check your LP gauge to verify you have a good supply on hand**, even if you are on a Keep Full and/or Budget Route.

Anytime you see the gauge down to 20% to 25%, it doesn't hurt to pick up the phone and call to make sure the driver will be on your route in the next few days!

Seed & Stuff

By Jay Van Woerkom



We had some very good corn yields from the 2008 crop, and there were a number of contributing factors which pushed corn yields to such high levels.

The most obvious was the adequate rainfall we had for the 2008 season, and while early season showers did cause some frustrations and delays, the moisture those showers put into the soils, coupled with timely showers along the way, once again proved the old adage "**Rain Makes Grain**".

Another factor of tremendous significance was the advanced seed technologies we are now able to plant in the fields, with triple and in some cases even quad stacked genetics providing tremendous protection, crop health and performance benefits to boost yields.

Thanks to the timely and ample moisture the corn crop benefited from in 2008, we may not have seen the full measure of those genetic trait benefits on display.

However, you can be certain that in the face of one or more crop stresses they would have risen to the forefront.

For example, numerous studies have shown a dramatic increase in crop yields with stacked genetic hybrids in years when the corn crop was drought-stressed.

This increase is particularly evident when the corn rootworm trait is included in the genetic traits that are stacked in the hybrid, since the healthier the plant's root system is, the more effective it is in accessing and utilizing even limited moisture.

And now that we have conclusively established the presence of and losses from rootworms even in our first year corn for the Two Rivers trade area, it's even more important that your plans and decisions on corn hybrid traits focus on providing protection from rootworms.

Drought stress seems to magnify the impact of the many other stress

SEED & STUFF
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Let Us Know Your Spring Seeding Needs Early

By Robby Wilson

The wet conditions of last spring and the extended harvest season of last fall no doubt forced many of you to put various seeding projects on the back burner just because there wasn't time to get to them.

Pasture seeding, waterway seeding, seeding alfalfa or oat stands, rye or clover seed, specialty grass mixtures are just some of the seeding projects and products that come to mind, and which many of you will probably want and need to focus on just as soon as winter breaks and you're able to get started.

With that in mind, I am asking all of our customers who have any of these or other seeding plans and projects to take care of to contact us at Two Rivers so we can start lining up the various seed supplies you'll need.

By visiting with us now, we can not only answer any questions you have and look at different alternatives you might be considering, we can also help you select the best seeding products and programs to match your specific needs, and get the supplies of those seeds ordered from our suppliers early, while the selection is best.



**Hybrid
Vigor**
By
Joe Toillion
Swine & Beef
Specialist

Last month I talked about treating bales with QLF Liquid Supplements, so the article was specifically aimed at our beef producer customers, so this month's article will be directed to our pork producers.

The arrival of winter creates added challenges for pork producers and added stresses for their pigs, and there are two main areas I'll be discussing in this article that producers need to focus on: **Ventilation & Nutrition**.

First of all, **Ventilation**, and for producers with pigs in confinement buildings winter is the time for some careful fine-tuning throughout the building(s).

A major issue you need to address is to provide ample levels of fresh air throughout the facilities, and often it's a fine line that needs to be walked.

Moving too much air pushes your energy costs up too high, whereas moving too little air will allow respiratory diseases to get a foothold in your herd.

Therefore, we recommend you maintain a modest fan speed and tighten the air inlets to limit the flow of air that passes through them, thus keeping the air fresh while holding the line on energy costs to run the fans.

There are also pigs per pen space issues to address, since it's tempting to crowd a few more pigs into a pen/building to help maintain the desired room temperatures and, in turn, to reduce heating costs in winter.

However, there are negative consequences to this that will almost always over-ride any savings you might be able to achieve.

Over-crowding pigs increases feed waste, slows their rate of growth, and causes social problems such as tail biting to increase as well.

We therefore recommend you maintain at least 7 square feet of space per pig in your pens for finishing buildings.

Now we move to the second main topic: **Nutrition**.

At this time of the year high fat diets are paying their way, especially now that the price of fat has dropped

faster in relationship to the price of corn, we also know that feeding a high energy diet moves pigs to market faster.

Of course it's still very important to maintain the proper balance when feeding a diet that is higher in fat. Just adding fat to an existing ration is not an answer.

Feeding DDGS in swine rations remains a popular option as well, especially for the value of the phosphorus they include, and because DiCal prices are still holding at elevated levels.

However, with the increased use of DDGS in swine diets that we've seen lately, we are also hearing some concerns raised by packers when very high levels of DDGS are fed.

One of their concerns is that feeding higher levels of DDGS reduces bacon quality, along with the quality of some of the other processed pork products.

Feel free to contact Jason or me about these and any other winter feeding issues we can help you with.

Finally, while we have indeed seen quite a few signs of improvement for our pork production industry, it's clear we still have a fairly long road to travel before we're back to the good times we've come from.

Therefore, it will be critical to continue to establish and follow very strict feeding budgets that focus on fast gains, maximizing feed efficiencies, and which enable you to limit the costs involved in over-feeding higher cost diets.

We are here to help you with your building management as well as your nutritional choices and decisions, and as always, Jason and I are as close to you and your operation as the nearest phone, so **Call On Us Anytime**.

SEED & STUFF

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factors the crop faces, including stresses from insects, disease, weed competition and so forth, since a crop weakened by a lack of adequate moisture is much more vulnerable to and much more impacted by those stresses.

As a result, the benefits and advantages of planting the best genetic traits in multiple stacked hybrids will give you the best opportunity to harvest maximum yields.

NEW IN 2009: Croplan Genetics has recently announced that their newly released corn hybrids will have the added protection of **"Advanced Coating Zinc"** a micro-nutrient seed treatment they have conducted extensive testing on over the past three years, with very good results being reported.

In 2007 Croplan Genetic Answer Plot seed treatment studies, Advanced Coating Zinc added 1 bushel per acre on all comparisons and, most importantly, when looking at plots that demonstrated a response to zinc, this new treatment added **8 More Bushels Per Acre!**

One of the most important functions of zinc in the corn plant is the part it plays in the enzyme system that regulates plant growth, since in the early stages of growth when cell reproduction and cell differentiation are highest, there is a big demand for zinc.

By placing the zinc on the seed so the plant can utilize it early when zinc demand is high, you further promote early season vigor that will help establish the plant to produce high-end yields.

Best of all, this new seed treatment comes at no extra cost on Croplan's newly released 2009 corn genetics.

Help Your Feed Team Be More Efficient & Safer Too

By Jason Smit

We've already had plenty of snow and ice on the roads, drives and all around the feedlots, and winter is only "officially" a week or so old as I write these words.

There's likely a lot more nasty weather and hazardous conditions in store in the weeks ahead, and I am therefore asking for the cooperation and consideration of all of our feed customers to help us maximize efficiency by planning orders in advance and placing orders early in the week.

As I've noted before, things just move slower during the winter season, and it takes more time at every stage of the process, especially driving slick roads, working in cold, snowy and icy conditions and facing all the added challenges to be safe.

Also, please do all you can to keep the lanes open and to provide plenty of space for our larger delivery vehicles to maneuver as they bring your feed orders out.

We want to keep all of our feed customers well supplied and at the same time keep our delivery people safe, and with everyone working together through the challenging conditions winter brings, we can accomplish both objectives.



As I See It
By Tracy Gathman
General Manager

I want to take this opportunity on behalf of the Board of Directors and all of the Two Rivers Co-op Employees to express our thanks to all of the members who were able to join us for this year's Annual Meeting on the evening of December 11th.

We had a very nice turnout of the membership, and once again we were fortunate to have favorable weather for the evening so members could travel to and from the meeting safely, something that has not been all that common in recent weeks.

Of course the holiday season is always a hectic time for all, and if your busy schedule prevented you from attending to see and hear the financial reports presented, then please feel free to stop in to any Two Rivers location to ask for a copy of the Annual Report booklet that was distributed.

This year was once again a very good year of business for your cooperative, and thanks to the support of the members and the business which all of you have done with your cooperative, we had another exceptional year of positive growth in sales, volumes and savings.

Total Sales for the fiscal year ending August 31, 2008 were **\$56,942,013**, representing an increase of nearly \$15 million compared to the total sales for the previous year.

One of the most significant figures that we focus on each year is local earnings, since this represents the revenues generated from the products and services that our customers have purchased throughout the year, and thus it is the one which specifically reflects the level of support that has been received from the patrons we strive to serve.

This year's **Local Savings** figure for Two Rivers totaled **\$863,182**, an increase of over \$410,000 from the previous year.

In the back of the Annual Report booklets that we distributed at the Annual Meeting are several charts that show a five-year comparison of some of the key figures that measure growth for Two Rivers, and both total sales and local savings are included in those charts.

If you will look at these charts, I hope all of you will take great pride when you see that over the past five years total sales at your Two Rivers Co-op have increased from \$28.7 million in 2004 to \$56.9 million this past year, or nearly double.

During this same 5 year period, local savings at Two Rivers has increased from \$72,199 in 2004 to \$863,182 in 2008, more than a tenfold increase.

Steady growth such as this is not achieved without strong leadership by the Board of Directors to plan and position for the present as well as the future, nor without a dedicated and total commitment to customer service by the entire staff of employees in all departments and positions to earn the support of customers, and certainly not without you supporting and doing business with your cooperative for the supplies and services you, your family and your farming operation needs.

There are several other very important figures and five-year comparisons I also want to touch on, the first of which is **Total Savings**, which this past year reached **\$2,136,563**, over twice the savings we had in 2007, which was \$1,064,684, and which is over seven times the savings total of \$280,502 reached in 2004.

The bottom line is also of special interest, and **Net Savings** for this past year was **\$1,942,390** compared to last year's \$970,606, or just shy of a one million dollar increase.

Member's Equity is another key figure, since it reflects the value you have steadily built in your cooperative through your continued support.

For 2008 the **Members Equity** reached **\$7,513,481**, an increase of nearly \$1.3 million from the previous year, and up nearly \$3 million when compared to 2004.

It is always a special highlight in a cooperative business like ours to be able to report the amount of patronage that has been returned to the membership for the business they have conducted during the course of the year, and for 2008 the **Total Patronage** allocated to the membership was **\$904,039**, or nearly \$350,000 above last year.

Finally, we come to the **Cash Patronage** our members received as checks were distributed at the Annual Meeting, and this year the Board once again approved a 35% cash dividend payment, or **\$316,414** which, when added to equity and estate payments that were also made during this past fiscal year, gave us a total **\$508,104 In Cash Payments** that Two Rivers members received.

Over the past 5 years, Two Rivers has returned nearly **\$1.1 Million In Cash** to the membership, and we say **Thank You** to all of you whose support generates the earnings and growth to make this possible.

In other business transacted at this year's Annual Meeting we reported the results of this year's Board of Director election that was conducted using mail-in ballots, with incumbent Directors Steve Nunnikhoven, Dave Willemsen and Stan Woody each being re-elected to serve three-year terms of office on the Board.

I want to take this opportunity to express our thanks to Keith Newendorp, Dave Nossaman and Rodney Schakel for also stepping forward to serve as candidates for these positions.

At the re-organizational meeting held during the December Board meeting, your Directors re-elected: Brad Rietveld as Chairman; Alvin Kuenig, Vice-Chairman; Greg Van Maanen, Secretary; and Dennis Uitermarkt, Treasurer to serve as officers for the current fiscal year.



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