



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

July, 2008



Crop Talk

By
Robby
Wilson

NITROGEN QUESTIONS: After all of the rain we've had, the most frequently asked question the past few weeks has been: **“How much nitrogen do you think I lost in my corn?”**

Unfortunately, there is no way to offer a solid answer because there are just so many variables involved.

Some of the tough looking corn we were seeing during the final week of June may indeed have some nitrogen deficiency giving us these visual symptoms, but in many cases the corn could and should start looking quite a bit better with some sunshine and heat now arriving.

We're really too far along for the late season nitrogen test to be of value, since the crop is just getting too big to add N without also causing significant damage to the fast growing crop.

Monitor fields where you feel there may be deficiencies to see if the appearance improves with time, heat and sunshine, and of course give those fields attention this fall when it's time to start addressing N levels for 2009.

FUNGICIDE PLANS: Now is the time to be taking a strong look at your corn hybrids to determine where you will want to plan applications of fungicides to enhance crop performance, improve stalk quality and boost yields.

Corn-on-corn fields are definitely at the top of the agenda for fungicide applications, as are fields which are prone to heavy dew/fog that would be

*We Invite And Encourage Farm Families To Join Us
For This Informative & Thought-Provoking Meeting*

**FAMILY FARM TRANSITION
AND SUCCESSION PLANNING**

Featuring Dr. Ron Hanson As Our Guest Speaker

WEDNESDAY, JULY 30 - THE VERMEER PAVILION IN PELLA

Registration - Coffee & Dounts At 8:00

Question & Answer Forum To Follow

*With Dr. Ron Hanson Joined By Local Attorneys
Chad and Boyd Boehlje, Paul Hietbrink, Vince Klyn and Fred Kreykes
To Respond To Your Questions*

Meeting Will Conclude With A Noon Meal

*Seating Is Limited - Please Contact The Pella Office
To Reserve A Place For Those In Your Family Who Will Be Attending*

more favorable to fungal growth.

You would also benefit significantly from applying a fungicide to those hybrids that have more offensive traits, since they need more protection from fungi compared to their defensive trait counterparts.

Your seed supplier and/or Two Rivers Agronomists can help with these decisions, and with staging your corn so you can make the appropriate plans to schedule aerial applications of Headline or Quilt, which are the products we'll be using.

With the later planting, all the moisture and the numerous challenges that this year's corn crop has already faced, it's very likely we could be in for a late harvest, and that means we'll be wanting and needing to have our corn stand stronger and longer.

Promoting plant health by protecting corn from fungal diseases that weaken the stalks will pay off well in the long run, and our previous experiences in test plots, on-farm trials and from results customers got by applying fungicides last year show a big yield advantage in fields that were sprayed.

The spraying window is a limited one to begin with, and wind makes it an even tighter fit, so the demand for pilots and planes to spray fungicides during the prime time is expected to be huge.

We need to get the field maps to the aerial services just as soon as possible to coordinate all the logistics so you can have your fields sprayed in the most timely manner.

Therefore if you want to have any fungicide applications this year, talk to a Two Rivers Agronomist right away.

SOYBEANS: The beans appear to be coming along now, so the main focus is to keep scouting for Bean Leaf Beetles and/or Soybean Aphids so you are in position to take timely, decisive preventative action should they pose a threat.

Keep in mind that with today's soybean values, the economic thresholds kick in much sooner and are paid for with fewer bushels.

There are some good chemistries out there for beans, including a product like Hero that offers 45 days of residual protection.



Fuel Facts
By
Scott Bensink

LP NOTES: It's almost impossible to imagine that summer is half over already, but I am sure everyone will agree that once we get past the 4th of July, it's a fast ride and we're into another fall, with winter close behind.

I therefore encourage all of our LP customers to take timely action so they can lock in gallon volumes and lock in the price for the LP they will need for the 2008/09 fall and winter season.

Our programs will be very similar to those we've offered in previous years.

Customers who are on one of the **Keep Full LP Routes** will automatically have tank **Summer Filled** when their driver is in that particular area, unless the customer has called in to specifically request we not fill the tank.

Those customers who are on a **Will Call In** basis to place their orders need to contact any Two Rivers office to ask for Summer Fill.

We're also offering **LP Contracting** for the upcoming fall and winter season and you can lock in the price for your fall/winter needs at the current posted price on whatever number of gallons you choose with only a **10-Cent Per Gallon Non-Refundable Down Payment**.

The value and the importance of contracting to you and your farming operation has been proven many times by the substantial savings customers when they have contracted their needs to avoid being at the mercy of in-season prices, which have been substantially higher compared to the contracted price.

As I noted in my article last month, for the 2007/08 season there was an over fifty cent per gallon difference between the price customers contracted their needs with us and the price we ended the season with.

I'm not predicting that will be the case this year, but then again, with the markets as volatile and unpredictable as they are, the savings for contracting might be even greater.

The 2007/08 LP season also showed the consequences of hoping to save by under-contracting gallons in the hope of having a mild winter.

SPECIAL NOTICE

Effective July 1, 2008

***In Accordance With The Iowa Smoke Free Air Act
There Will Be No Smoking In Any Two Rivers Facilities***

Again, I'm not in the predicting business, especially when it comes to weather, but I would definitely be sure that with the price differences we have these days, you want to be sure to contract a sufficient volume to cover your anticipated needs for the entire season rather than cutting things too close.

keep in mind the **Deadline For Contracting Is August 31st.**

Seed & Stuff
By
Jay

Van Woerkom



CORN: As Robby has noted in his article, a number of corn fields throughout the Two Rivers trade area are uneven and off-color, and a lot of this can be traced to the wet conditions we've experienced.

Corn-on-corn acres are demonstrating these symptoms of stunting much more than in those fields that followed beans, and there are likely some fields where we've had nitrogen losses, although there's really no way of knowing how much N has leached.

Obviously, you'll want to monitor all of your corn acres closely as the season moves forward in case you need to set some harvest priorities in fields where stand quality and strength could become an issue.

Feel free to contact any of the Two Rivers Team if we can be of service or assistance to you with any corn questions you might have.

BEANS: As I was writing this article the final week of June, there was quite a bit of soybean re-planting underway

and, depending on the weather, there could still be some of it going on as you are reading these words.

One of the big questions that comes to the forefront when re-planting decisions need to be made is whether or not to switch soybean maturity groups.

There was a lot of research done following the floods of 93 on re-planting in late June and early July, and that data shows that for southern Iowa there could be a 20% yield reduction possible when beans are planted (or re-planted) in late June, with yield reductions increasing to about a 50% if you're delayed until early July.

It was also found that it's best to stick with your initial soybean maturity group unless planting is delayed even further into July.

Another issue of concern is about the potential for later maturity of full season varieties planted in late June, or even later.

Planting a full season variety in late June or early July will, on the average, delay the physiological maturity of the bean crop until mid-October, and of course there is an added risk that yield and seed quality can be negatively affected if frost damages the crop before it reaches maturity.

As always, your Two Rivers Agronomists are available to help you with any questions on soybean decisions if you are delayed in planting and/or re-planting any of your acres.

One thing is sure, however, and that is the need for added protection for beans being planted into these fields, since fungi will be an even greater threat, so talk to your Two Rivers Agronomist about seed treatments, fungicides and inoculants.

RETURNS: With the exception of re-plant products, all returns should now be completed and we will no longer be taking returns.

**Contact Your Two Rivers Agronomists Today
To Line Up Aerial Spraying Services
Of Fungicides In Your Corn To Boost Yields**

WE WILL NEED UP TO DATE AERIAL MAPS

**As Soon As Possible To Plan Application Services
To Maximize Timely Application For Best Results**



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

PORK: The pig markets are all over the map at this time, so I highly recommend you keep current on marketing your pigs on the regular schedules.

Naturally, you need to continue to do whatever it takes to hold the line on costs and to promote savings wherever and whenever possible.

Manage the different diet phases with a fine-tooth comb, since it can be costly to over-feed any of these diets, and just as costly, or even more costly, to under-feed them, since missing the switch adds to the number of days to market, plus give you poor cut out values and lower the percentage of lean.

Keep those feeders properly adjusted at all times too. The abuse they receive can alter settings in no time, so check adjustments frequently.

Mother Nature's rough treatment of our crops could cause prices to continue to move higher still, and if we see that happening we could also see some ingredients returning to the lineup, such as fat and meat and bone.

As always, when we're battling higher costs it seems snake oil salesmen appear out of the woodwork promoting some miracle and/or secret recipe ingredient as a cure, and my advice is to be wary of any "new" products surfacing in the market.

If these products weren't valid when hogs were profitable, what makes them valid when we're up against the wall? Be sure to check out the claims being made, and be sure there is proven, documented research backing any products you're considering, not just a lot of hype.

BEEF: As the demand for the co-products of ethanol production has continued to increase, the cost of DDGS has moved higher, making them less economical.

There can also be a significant difference in the values of DDGS from one plant to another, and even in the consistency of nutritional values from batch to batch from the same plant.

As a result, it might be time to take another look at corn gluten, since the price is an advantage.

If possible, try to get the dry gluten, since there is less freight per pound of

dry matter therefore you're not paying to truck a lot of water.

Properly balanced diets have always been a key, so let us assist you in ration formulations and fine-tuning the ration for added savings and peak performance.

Now that we have warmer weather arriving, the bug populations are exploding, so those of you with cattle out on pastures need to keep an extra close watch for signs and symptoms of pinkeye and other insect related health problems.

If you didn't start your insect management programs yesterday, start them **TODAY** for sure, since the losses add up every day you delay.

There is a ton of grass in the pastures after all these spring rains, but it won't last long if summer turns off hot and dry, which Iowa summers are famous for doing.

Bottom ground that was underwater could take a long time bouncing back as the surface dries out then bakes, and areas hit the hardest have reduced the amount of available pasture acres significantly in some cases.

Therefore, I hope you started your pasture management yesterday, but if not, then start **TODAY** so the grass you have out there will last longer.

Creep feeding calves is always a solid choice to extend pastures, and this will benefit the calves and the cows in many ways.

Providing mineral supplements now is also recommended, since as summer conditions get tougher both cattle and pastures will feel added stress.

Tubs are an excellent option since they provide the minerals cattle need and are convenient for you to offer.



**Feed
For
Thought**
By
Jason Smit

Every producer that's been in the business for any length of time knows that the pork and beef mar-

kets are cyclical, that good times give way to tough times, only to be replaced by good times once again.

Those same producers know there are certain things that need to be done to endure the tough times so that they can be positioned for the turn around when it arrives.

Over the years those things have included monitoring all production inputs closely, seeking out ways to enhance and increase efficiencies, and of course being absolutely dedicated to eliminate waste anywhere and everywhere it seeps into any phase of the operation.

We have touched on these issues before, and as I have mentioned, the Two Rivers Feed Team is always available to assist you with evaluating what you're currently doing and assisting you in finding ways that can help you with any changes or modifications that your considering.

These are also the kind of things that we are constantly focusing on and evaluating here at your Two Rivers Co-op, where on at least a weekly basis we go over virtually all stages of feed manufacturing, from evaluating the quantity and source of the different feed ingredients included in each ration to how we can be more efficient in delivering feed to our customers.

What has made this current battle seem more difficult for all of us is the fact that we are now sailing in totally unknown and uncharted waters for the first time.

Our grain prices are unlike any we've ever had, and these higher grain prices are pushing production costs to levels we've never experienced, so we do not have any history or prior experiences that we can fall back on to help guide us through these challenges.

And yet while the markets and marketplaces we operate with have all changed so dramatically, bringing us to these new levels for the first time in the process, we know those markets and marketplaces will ultimately adjust, as they always have, to reflect the forces of supply and demand that drive production.

**GOOD LUCK AT THE COUNTY FAIRS
TO ALL 4-H & F.F.A CHAPTER
YOUNG MEN AND WOMEN**

*We Hope All Of Our Customers Will Attend The Fair
To Show Their Support Of These Fine Yong People*



As I See It
By Tracy Gathman
General Manager

In last month's newsletter article I discussed our interest in bringing Dr. Ron Hanson back for a special meeting to discuss issues which your Two Rivers Board of Directors and I feel are of critical importance to our customers in today's challenging and rapidly changing agri-business world.

As everyone knows, the values and costs of land, equipment, facilities, crops and crop inputs and virtually everything else associated with crop and livestock production on today's family farming operations have increased dramatically.

These increases have been so sudden and so dramatic, in fact, that in many cases they have far outdistanced all of the plans and objectives most farmers have made for the time when they will retire from farming.

As a result of these increased values, costs and risks, your Board and I feel issues related to family farm ownership transition and succession have become increasingly important to our customers, and all farm families need to be seeking out answers to questions such as these:

How can you keep the family farm "in the family" for the future?

How are these higher valued assets going to be protected?

How can these higher valued assets be paid for without placing an extreme burden on the family members who assume operation of the farm after you retire?

I am therefore pleased to announce that Two Rivers Co-op, in conjunction with several local attorneys will be hosting a very special informational meeting at the end of July featuring Dr. Ron Hanson as our guest speaker to address issues of planning for family farm ownership transition and succession.

I am sure many of you can still recall the thoroughly enjoyable and enlightening presentation Dr. Hanson gave when he spoke at our Annual Meeting a few years ago, and I am therefore confident you will find his message at this July 30th meeting to be equally entertaining as well as informational.

I am also confident you will find the question and answer forum that follows Dr. Hanson's presentation to be

extremely valuable to you and your farming operation, as Dr. Hanson will be joined at the podium by the meeting's co-sponsoring attorneys Chad and Boyd Boehlje, Paul Hietbrink, Vince Klyn and Fred Kreykes to respond to questions and to discuss the issues in greater detail.

While the basic theme of this meeting will focus on issues of transition and succession in family farm ownership, I want to point out these are crucial issues for all farmers of all ages to be aware of and making plans to deal with, not just those who are at or nearing retirement age.

After all, I am sure you will agree that farm ownership can be affected by numerous other factors beyond those related solely to retirement.

Therefore, planning for the future of your farming operation and what happens to it and to your family also needs to encompass on-going risk management issues that need to be addressed long before retirement age arrives.

And since these issues are also important to the spouse and to members of the family who will be involved in a transition and/or succession of ownership, they should also be in attendance to hear this information.

I firmly believe, and the Board of Directors shares this feeling, that each of you owes it to your family and their future, and to your farming operation and its future, to be in attendance with us for this half-day session during which you will have the opportunity to gain valuable insights into what is rapidly becoming one of the most challenging issues facing farmers today.

WILD MARKETS: As impossible as it seems after going through such volatile times over the past year, our grain markets have actually been even more explosive in recent weeks, since the price moves corn and soybeans have made have been in both directions.

At the time of this writing with a week

remaining in June, cash corn is \$6.60 and soybeans are \$14.50 at Two Rivers, and as far and fast as prices continue to move each day, no one knows much higher, or lower, they could be by the time you read these words.

When prices are this volatile, and this high, it becomes even more difficult to pull the trigger on sales.

But the one thing you don't want to do is to let values like these totally escape you because you were holding out looking for one extra nickel or dime higher, because eventually the market turns and good selling opportunities are lost by waiting one day too long.

Our markets and marketplaces have changed dramatically from those we operated in just a few short years ago, and we're now dealing not only with much higher crop values, but also with much higher crop input costs as well, thus the risks associated with both have multiplied significantly.

Another hugely significant change has taken place in how your crop inputs are secured, and as you know, we have recently come out with a crop nutrient purchasing opportunity for product inventories that we have already made commitments to our suppliers for to address your fall needs.

The bottom line is that if we are to make firm commitments to secure your future needs so many more months in advance of when they will be applied, we also need to have commitments from our customers made earlier to help manage our risks and the costs associated with securing those inventories.

My point is this: There are good corn and soybean selling opportunities for both this year's crop and for the one you will be planting in 2009, and you need to be looking at these opportunities to help cover some of the higher input costs that will be required to produce the next crop.



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