



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

June, 2010



Agronomy Update By Jay Van Woerkom

RETURNS: All but a few soybean fields planted as we entered the Memorial Day weekend, and I am sure whatever fields aren't planted will be in a few days.

With that in mind, we need to ask remind customers to be sure they get any soybean seed returns back into Two Rivers right away.

Our suppliers have firm guidelines about returns, and we must be sure we that we get seed back from you in a timely manner so we can return those products to them before their deadlines expire.

With that in mind, we ask the full cooperation of customers who have seed they want to return to **Please Return Soybean Seed To Us By June 15th** so the proper credit can be issued to your account.

Last month we mentioned needing to have all seed corn returned to us by the 15th of May, and we were able to extend that date a bit due to some weather delays that held up the final stages of the corn planting season.

However, June 1st was the last day seed corn could be returned to receive full credit on the account, so if you did not get seed corn returns back to us by that date, we are unable to issue a refund.

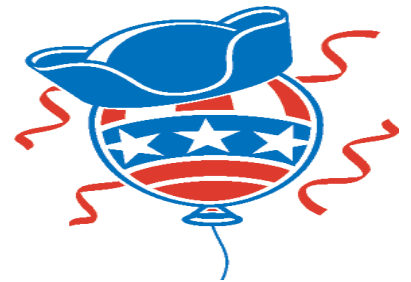
I doubt there will be a similar extension with soybean seed returns, so be sure you get your beans back into us by the 15th of June to assure receiving

Advance Notice Of Holiday Closing

**FOR THE 4TH OF JULY
Holiday Weekend**

**TWO RIVERS LOCATIONS
WILL BE CLOSED ON
MONDAY, JULY 5TH**

*Please Plan Accordingly
For The Long Holiday Weekend*



credit.

On a related note, and this is another item that we mentioned in the May issue of the newsletter, we are also asking for your full cooperation in getting all corn and soybean seed pallets back into us by that same date.

The pallets are the property of the seed companies, not Two Rivers, and they want them returned promptly as well, so **Please Return Pallets To Us By June 15th** so we can both avoid being charged for them.

CUTWORMS: Now that we have some sunshine and heat on our fields, the crop has definitely been taking off on a fairly rapid growing spurt, and hopefully that will allow corn to very quickly grow large enough so that the plant's natural defense against cutworms will kick in.

But rather than take chances, I would still encourage everyone to scout their fields and monitor their corn crop so they can detect any signs/symptoms of cutworms feeding on the plants.

The young black cutworm larvae tend to feed primarily on the plant leaves, however as they mature and grow larger, they can actually cut right through the plant as they are feeding.

I'm sure everyone is familiar with what a cutworm looks like, but just as a refresher, their color can vary between a light gray to almost completely black, and they typically have a

shiny or greasy appearance.

A fully developed cutworm can reach 1.5 inches in length, and the economic thresholds that determine whether treatments need to be applied are based on the size of the larvae and number of plants cut.

If the larvae are less than three quarters of an inch in length, treatment should be considered if 2% to 3% of the plants are wilted or cut.

If the cutworms are an inch long, then the threshold for treatment is 5% of the plants being cut.

Corn that is in the one to four leaf stage is more likely to suffer damage, as are fields that were planted late and those with significant weed pressures.

Once corn reaches the V5 stage, it is much less susceptible to cutworm damage.

As always, if you need assistance scouting or have questions, do not hesitate talking to your Two Rivers Agronomist for assistance.

LOOKING AHEAD: Over the next several weeks there will be a lot happening in your fields, and most of it will be happening very fast.

That means we're all going to be especially busy keeping pace with the rapid growth and development of the crops, and the equally rapid pace at which different threats to crop perfor-

UPDATE

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Fuel Facts

By
Scott
Bensink



LP NOTES: With the **LP Summer Fill** program beginning June 1st, many of our customers will be seeing a new face arriving to deliver LP to their farming operations in the weeks ahead, since **Lonnie De Zwarte** is now covering the LP route that Louie Kamerick has been handling for the past six years.

Louie is moving into the Monroe office to take charge of the Fuel Management System that we utilize to monitor usage rates and to therefore better coordinate delivery to our customers, plus he will also be handling a number of other responsibilities.

We hope that all of Louie's customers will give Lonnie a nice welcome to the Two Rivers LP Team and to their farming operations as he makes his rounds on the route, and we're confident he will do an equally fine job of providing everyone with timely service.

As with any transition of this nature, it will take Lonnie a little time to become familiar with all the nuances of the individual LP systems that he will be delivering products to.

Therefore if you have an opportunity to spend a few minutes with Lonnie when he stops by to show him any special characteristics, that will be a big help and also greatly appreciated.

As I said, **Summer Fill** is now in progress and will continue through the end of August as we **top off the tanks of our LP customers on the Keep Full Route System.**

If you are a **Will Call Customer** who orders each delivery, you will also need to contact Two Rivers if you wish to have us Summer Fill your tank.

While still on the subject of LP, by now all LP customers should have received a letter from us with full details of this year's **LP Contracting** program included.

If you did not receive a copy of this letter, and you are interested in contracting LP for the 2010-11 season with Two Rivers, please contact Robin in Pella or get in touch with any Two Rivers location.

Our contracting program will once

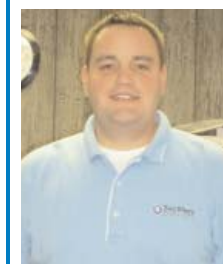
again require a **10 cent per gallon non-refundable down payment** to lock in a specified number of gallons at the price contracted, and the deadline to contract will, as in the past, be August 31st.

DIESEL NOTES: I fully expect that we will have a **Fall Diesel Contracting** price established during the month of June, and I therefore encourage all of our customers to be watching for this program and, most importantly, to start taking advantage of opportunities to layer in your fall diesel needs with Two Rivers.

The price of crude oil has been in steady retreat the past several weeks, and as of this writing we'd seen crude oil tumble in excess of \$9.00 per barrel, taking us to \$74.55 at the time of this writing.

There are some major economic problems in the European Union, and the financial disasters in Greece are a huge concern, therefore as the value of the dollar has been gaining strength, fuel prices are eroding.

There has been increased volatility in fuel prices as a result of these situations, and that means you need to watch for opportunities to cover at least some of your fall needs with a contract when you see a price you feel works for you.



Marketing Analysis

By
Justin
Huebner

As I am sure everyone is aware, the corn and soybean markets we operate in today are vastly different than the ones of the previous generation, and if we fail to recognize the multiple influences that drive prices, or fail to monitor them closely, we stand little chance of managing our risks or reaching our pricing objectives.

At this time one of the biggest concerns facing the marketplace is the economic crisis developing for the European Union, and more specifically, the virtual financial disasters that are taking place in Greece.

That country is so deeply in debt that even after a second EU relief effort to bail them out it appears they may remain in terrible shape.

From what I have read, it is starting to look as though the economic crisis

in the EU may just have started to pick up steam, and with the euro's value already at a four year low point, it makes one nervous to think how much lower the value might plunge.

While this has put some strength back into the value of the dollar, the subsequent plunge in the price of crude oil and the tail spin our commodity markets seem to be in reminds us of what happened the last time crude prices turned south and plunged to values in the \$40.00 per barrel range.

It has been curious to have had corn and soybean values remain fairly strong even as the crop was being planted at a very rapid pace and so much of the Grain Belt had their corn and beans in the ground so much earlier than normal.

Even more curious was to have such large inventories of both commodities on hand, especially in corn, where the most recent carryout projection for the end of this marketing year had us taking nearly 2 billion bushels over into the next marketing year.

These factors, along with the higher value of the dollar, the weakness of the euro, and the financial woes of the EU and Greece, should help you appreciate why I firmly believe and recommend that you nail down and know where your break-even is for both corn and soybeans for the 2010 crop.

As I said last time, and it's a message I hope all of our customers will focus on, if you do not know what your break-even price is, you can not know what price you need to receive from the market to assure locking in a profitable margin when you sell either commodity.

Worse yet, if you do not know what your break-even is, you run the very real risk that you could make sales that instead of locking in a profit have locked in a loss.

Take time for due diligence in hammering out your break-even for 2010 corn and soybeans so you can be sure you're making sales at prices that assure your costs are covered when you get pricing opportunities to do so.

ANALYSIS
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**Temperatures Are Heating Up
ON THE OUTSIDE
Corn Is Heating Up
ON THE INSIDE
So Be Sure To Take Time To
CHECK YOUR BINS**



**Livestock
Production**
By
**Nick
Steinbach**

One quick note of clarification about the tickets we have available for the lunch at this year's **World Pork Expo**, since it seems there may have been some confusion a year ago.

These tickets are for the lunch that is sponsored by and served at the Land O' Lakes & Purina Feeds Booth only.

They do not cover the cost of admission to the World Pork Expo that is paid at the gate.

Moving on now to other business, while cattlemen focus the majority of their time, energy and attention on the cows and calves at this time of the season, that all-important member of the breeding herd sometimes doesn't get all the attention he deserves and needs to have.

And this year, following what had to be one of the most severe winter seasons we've had in a while, you need to be even more diligent about making sure bulls are in top shape for the breeding season.

It takes about 60 days to complete the bull's sperm production cycle, and they need to be in good condition and in "good flesh", though not overly fat, at this time.

Since the condition of the bull is crucial to a successful breeding season, I think it will be well worth your time to check your bull(s) over to make sure he is in good shape and is fit to perform.

Another area of the cow/calf operation that all too often doesn't receive the focus it should is having a sound deworming program in place for cows.

If you expect optimum performance and the best results from cows, you need to be sure they are getting the full nutritional values of the feeds and forages they are consuming, therefore you need to eliminate worms.

Give some extra consideration to deworming the critters you have on pastures this season and I'm sure you'll notice the difference deworming makes.

Talk to Joe or me about the products and programs we handle here at Two Rivers that will do the best job for your cows, which are the most convenient match for your needs, and which

you can use to do an important job effectively and economically.

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



PORK NOTES: In their on-going efforts to keep pace with the tremendous changes that are always taking place within the pork production industry, whether they be driven by nutrition, by technology, and/or by consumer demands, Land O' Lakes will be launching some significant new upgrades to their pig starter programs and rations during the summer of 2010.

Both Nick and I will be able to introduce these changes to our producers as they are becoming available to us, and we encourage you to feel free to contact us as we move forward if you have any questions.

I'll be looking forward to seeing you at the World Pork Expo.

BEEF NOTES: The main issue I want to touch on this time is the use of gluten in beef diets, a practice that has been gaining in popularity for the basic fact that replacing corn in the ration with gluten not only makes the ration very economical, it also adds to the protein value.

As a result of boosting the protein value with gluten, you have eliminated the need to add a protein supplement to your cattle's diet.

Consumption rates are much better for cattle receiving gluten in the diet compared to the grain mix rations that contain corn and supplements.

Best of all, adding gluten to the ration is extremely simple and convenient, since you use a gluten balancer at a low inclusion rate that gives your cattle outstanding performance at only a fraction of the cost.

When we compare a conventional dry protein supplement program to

a program that uses gluten to replace corn, **we find a very attractive \$50.00 per animal finished savings**, and I am sure that's a figure all cattlemen can get their hands around.

You can feed a gluten diet instead of corn in the ration to any beef animals that would be consuming some type of grain mixture, and while gluten diets will need to be properly balanced for specific nutrients, that's a service which your Two Rivers Coop is able to provide.

If you haven't looked into the benefits, advantages, convenience and the savings of feeding gluten in cattle diets lately, now would be a very good time to investigate this alternative, and Nick or I will be more than happy to sit down with you to explain how this could work very nicely in your operation.

ANALYSIS
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Moving on to other items, we have had some interest expressed in utilizing the futures and options on the Chicago Board of Trade to boost revenue opportunities, and we have decided to join forces with one of our market information sources to clear futures/options trades.

If you have an interest in this, I welcome the opportunity to sit down with you to discuss the full details with you and to answer your questions, so feel free to contact me so we can arrange a time to get together.

Finally, over the course of the summer we are hoping to have at least one, and perhaps two or more, marketing meetings with customers enrolled in our different tiers of services.

We will bring in representatives from our marketing service providers to discuss what has been and is happening with the 2010 commodities markets, and hopefully to take a look forward to help in planning as we move ahead.

No dates have been set as yet, so keep watching for information to be posted on the Two Rivers web site.



ATTENTION PORK PRODUCERS

**Contact Nick Or Joe
For Your Lunch Tickets**

**At The Land O' Lakes/Purina Feeds Booth
During The 2010 World Pork Expo
That Will Be Held June 9th 10th 11th
At The Iowa State Fairgrounds - Des Moines**



As I See It
By Tracy Gathman
General Manager



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Pella, Iowa 50219

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SPRING WORK: We're just about ready to enter the Memorial Day weekend as I am putting my thoughts together for this issue of the newsletter, and it is absolutely amazing to consider how much work has been put behind us in your fields over the course of this past month.

By and large I'd guess the 2010 corn and soybean crops are all in the ground at this time, or if not all in that there is only a very small percentage of the beans that need to be planted to call the planting season complete, and those remaining fields probably will be planted as you're reading this.

As smooth and quick as the corn crop was being planted in April and early May, we might have expected Mother Nature would toss a weather monkey wrench or two in our way as you were making the switch over to plant your soybean crop.

While the weather in April was much more like what we normally get in May, warm and with only a few showers toward the end of the month, May weather was more like April, cooler and wetter, so there were more challenges with beans.

We sincerely thank everyone for their patience, cooperation and the great communications that made it possible to get so much work done so smoothly, quickly and efficiently.

THREE-QUARTERS THERE: As difficult as it often seems to think about, the end of May also marks the end of the first three quarters of the current fiscal year of operations, making this another year that has gone by very quickly.

The next three months are very busy ones for your cooperative as we move steadily forward to the conclusion of the fiscal year on August 31st, and very important ones for all of us as we work hard to maintain the good momentum we have on making this another positive year of growth.

I am pleased to report that as of the end of the first three quarters of this

year the balance sheet of your Two Rivers Cooperative continues to grow stronger, and that can only be achieved through the solid support and business that is provided by you, the members of Two Rivers.

We strive to earn your support and your business each day, knowing it is what we do and how we do it that gives you the incentive to conduct your business here, and that it is how we perform and the manner in which we match your high expectations for quality and service to earn your repeat business, as well as your respect.

Agriculture as an industry is, by its very nature, constantly changing, since every year creates new challenges as well as new opportunities when you plant a new crop of corn and soybeans in the spring, or when your livestock operation welcomes the next generation of cattle or swine.

Change takes place even faster today, and often the changes in our industry, in our businesses and in our lives are more dramatic, more far-reaching and more deeply felt, both on the positive side and on the negative.

That makes it even more important that we address today's changes swiftly, decisively and effectively because the next change we will be encountering is likely to be coming at us even faster.

With the changes that have taken place in our agronomy department, Two Rivers will be undertaking a shift not only in staff assignments and responsibilities, but also a shift in the focus of our efforts to concentrate even more closely on the latest technologies and innovations that have occurred throughout crop production, and which are continuing to occur at astonishing speed.

In addition to handling seed sales, services and coordinating the seed sales staff as he has done for the past ten years, Jan Van Woerkom will now also assume agronomy sales responsibilities to both oversee and coordinate the full resources of the agronomy workforce.

Additional changes are forthcoming as we move forward, and I will keep you informed of those in future articles here (and on the web site) as they take place.

UPDATE

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mance and yields come at us.

As we all know **Timing Is The Name Of The Game** when it comes to the success of post-emerge treatments, and that makes early detection, identification and notification of any potential problems a must.

From post emerge spraying on corn we move to the post treatments on soybeans, with fungicide treatments and perhaps spraying for aphids or bean leaf beetles (or both) also on the horizon.

One of the biggest issues is to be Absolutely Certain what genetics are planted in fields before they are sprayed, since if there is not a proper seed to herbicide match, the results can be a disaster.

Check and double check to be sure Roundup goes only on fields that have Roundup Ready genetics, that Liberty goes on fields only with those genetic compatible hybrids, and that neither are sprayed on conventional hybrids.

Please work closely with your Two Rivers Agronomist so together we can sustain the strong momentum and the positive benefits this crop has going for it from being planted early.