



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

March, 2008



As I See It
By Tracy Gathman
General Manager

As you may or may not recall, in my September newsletter article I talked about my concerns regarding some of the trends that have been occurring which are altering the cooperative system, including the demise of Farmland Industries, the sale of CF Fertilizer, Mfg., and the (at that time) proposed sale of Great Lakes Cooperative to an Omaha-based ethanol company.

Recently, the membership of Great Lakes Co-op voted to accept the buy-out of the equities they held in the co-op, thus relinquishing their ownership of all of its assets and facilities and, of perhaps greater importance, the opportunity to have a voice in its future operations.

I noted then, and I will again repeat, that my feelings on this particular matter are undeniably more biased than they might otherwise be, since it was at this very same cooperative that my father worked at for 41 years, the last 22 as Manager, and at which I began my own career in cooperatives some 30 years ago.

Having literally grown up with the cooperative system, and thus having very strong feelings and emotions about the system and its principles of doing business, I admit the on-going trend of cooperative consolidations, whether to private business or to one

Time Saving Pre-Spring Reminders

By Robby Wilson

First: If you will be spreading dry fertilizer using one of the cooperative's dry fertilizer carts this spring, keep in mind that we recommend you “Double Spread” the field to assure optimum accuracy of P & K application rates.

Spread the entire field at 1/2 the desired and/or recommended rate on the first pass, and then you will be able to adjust the rate to assure the optimum rate is applied as you make the second pass.

Second: If there are any special or unique input needs you will want to have available this season, be sure to **Order Them Now**.

This would include items such as liquid starter fertilizers, nitrogen stabilizers, non-traditional herbicide or insecticide products, or any of the many other inputs you may want that are not a standard inventory item.

We naturally want to serve as your supplier for all of these inputs, and we can get them ordered and on hand so they are here when you need them, and at a more competitive price, if you will give us some lead time before they're needed.

So if you've ordered any of these non-basics in the past and you want to use them again, or if there is something new out there you've seen and want to try, stop in or call and let us know your needs so we can take care of supplying these products when you want/need them.

Third: If you have re-certified for 2008, or will be doing so soon, please be sure you have brought your **2008 Private Pesticide Applicator License/Certificate** in to your local Two Rivers office so a copy of it can be recorded and place in our files.

of the several burgeoning mega-cooperatives that have been expanding so rapidly in recent years, creates a number of questions and concerns.

First and foremost, I am concerned and have to wonder if all of the rapid growth and consolidation we're seeing in all forms of business isn't perhaps returning us to a marketplace similar to the one that existed in the days prior to the emergence of the cooperative system.

When you look back to the 1920s and 1930s, the era during which many local cooperatives were first formed by groups of individual farmers, you will quickly find their motivation for banding together and creating the co-op was in direct response to a lack of choice and voice for one or more of the production inputs they needed, or in some cases a lack of choice and/or voice in marketing their production.

Both the Farmers Cooperative

Exchange in Pella and Otley, which were combined in 2001, were founded by farmers to provide them with alternative sources of supply for feed and for additional options in marketing their grain.

Great Lakes Cooperative, the original company where my father managed, was formed by farmers to secure an alternative source of supply for the coal they needed to heat their homes.

Many co-ops in Iowa were formed to provide an alternative to the private industry's milk marketing system, others for access to additional petroleum products, such as a premium grade of diesel only Farmland Industries was supplying back in the 30s.

The point is, that among the basic values the cooperative system has always stood for is a firm commitment

SEE IT

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Crop Talk

By
Robby
Wilson

The way this winter is holding on, the spring of 2008 could be one of the busiest and most pressure packed seasons we've experienced in recent years, and there is no doubt in my mind that every hour of every day is going to be filled with things to do on the farm and in the fields.

That makes the request I made last month, namely the "We Need Your Help" to be sure to advise us of any and all dry fertilizer spreading needs right away, even more critical.

If you haven't already done so, therefore, be sure you *Take Time To Get With Your Agronomist* during early March to go over any and all custom application orders, and that includes all of the pre-planting spreading and spraying services we offer.

That includes any and all pasture spreading and/or spraying services you need to have done this spring, including burndown treatments.

During the same time you're together, be sure you *Take Time To Review FSA Field Maps* for the acres where these custom services will be provided so we can be sure *You & We Are On The Same Page* with the crop being planted, seed genetic issues, adjacent crops, products being applied, rates, and all the other key details so the job can be done right.

If/When one or more of these details is up in the air when the custom applicator arrives, it can take a lot of very valuable time to get the answers, and that's time we just won't have enough of this spring.

Another thing to do is to be sure to have all the "specialty" products and supplies ordered, such as seed treatments, seed inoculants, specialty seed needs, and of course fungicides.

Speaking of which, if you intend to spray corn with a fungicide this season, the area's pilots who provide aerial services are adamant they have these orders lined up as soon as possible, and maps provided, so they can coordinate all the detailed logistics to handle the increased volume in the most effective and efficient way.

I also highly recommend that you *Get With Your Agronomist* to firm up and finalize any and all remaining seed orders, and that is especially critical for soybean seed, since seed bean supplies are definitely going to be scarce as spring arrives.

In fact, this situation is so serious that *If You Don't Have All Your Beans Ordered* when you read these words, my strongest recommendation to you is *Don't Wait Another Day To Order Them*.

It's been a while since we entered spring facing this many loose ends needing to be tied up in a short time.

How we use these days leading up to spring will make a huge difference to all of us in how the season progresses, how the work unfolds, and in the progress we're able to make each day.

Let's not waste any of these key planning and preparation days!

Seed & Stuff

By
Jay
Van Woerkom



SEED DELIVERY: Despite the weather and road conditions at present, it will soon be time to start delivering your seed orders to the country.

As soon as you have space available and are ready to have us start bringing your seed out, please let us know, since the season is going to be condensed and time is of the essence.

SEED PLACEMENT: One of the issues

we have tried to focus on during our winter meetings and in our direct conversations with customers one-on-one is the vital role proper seed placement plays in the overall performance and yield success of your corn and soybean crops.

No two fields are alike, therefore you need to address the crucial differences and unique characteristics of each, then match those with the specific seed corn hybrid and/or soybean variety available from today's advanced seed genetic packages to provide the optimum environment in which the seed you plant can reach its full genetic potential.

With crop values at the levels they are today, every extra bushel of yield you can pull from every acre you plant has become more valuable, and the proper seed placement match is therefore an issue you can no longer afford to miss.

Be sure you talk to your Two Rivers Agronomist to verify the seed you have ordered has been specifically positioned to achieve the best performance and yields for you.

SEED TREATMENT: As you can see in the information below, seed treatments will once again be a key focus of our attention at Two Rivers Co-op in 2008, and we will be treating soybeans with products like Cruiser Maxx, Apron Maxx and soybean inoculants, depending on the specific field situations to be addressed.

I would like to suggest that you talk to your Two Rivers Agronomist soon to line up soybean seed treating services so we can do the most effective job of controlling the logistics and handle your needs as smoothly and efficiently as possible.

Seed Treatment Protection Will Pay Yield Dividends

By Jay Van Woerkom

Each year we have seen a consistent improvement in crop performance and a corresponding increase in soybean yields as a result of protecting seed and seedlings from the damage that can be caused by soil born diseases, fungi and insects, and I expect with the conditions we've experienced this winter, the value of treating soybean seed will be even more dramatic.

Soybean seed treatments can be especially beneficial under the following conditions:

Poorly Drained Fields

Early Planted Fields

Fields With A History Of Disease/Insect Problems

Fields With A History Of Stand Establishment Problems

No-Till & Minimum Till Fields

Fields Seeded At Lower Seeding Rates

*We recommend you line up our **Seed Treating Services** early so we can make the appropriate plans with all customers who want to have their seed beans treated with products like **CruiserMaxx** or **ApronMaxx**, so talk to your Two Rivers Agronomist soon.*



Fuel Facts

By
Scott
Bensink

The price of crude oil has now topped the \$100.00 per barrel barrier for the first time in history, which is a truly remarkable milestone when you really stop to think about it.

After all, just think back about all of the dire international events that have transpired over the past 50 years. The past 20, past 10, or even the past 5.

There have been several major economic recessions, runaway inflation, local and global conflicts, Middle East tensions, wars, invasions, natural disasters and more.

And yet having faced and faced down all of these huge crises, it's only now, within the last 12 months, that crude oil has ultimately broken first the \$80.00, then the \$90.00, and now the \$100.00 per barrel barriers.

As troubling as this move into this formerly uncharted price territory has been, what I find even more of a concern in monitoring developments in the fuel/energy markets as we look to spring is there really appears to be no cause or causes that might offer any relief for prices.

For one thing, I doubt you'll find anyone who would argue that this winter hasn't been one of the most severe winters we've had in at least a decade, perhaps even longer, when the cumulative and wide spread total of its impact is factored in.

Also, we continue to struggle with and be limited by the ancient, long neglected and inefficient fuel refinery system in this country, one in which production keeps falling farther behind the steady growth in demand as a result of needing more frequent and more lengthy shut down periods for repairs, service and maintenance.

March is only a few days away as I write this, and the way February has been it's certainly a stretch of the imagination trying to think of spring arriving soon with the kind of weather we've been battling for so many weeks in a row.

But we know it can't stay winter forever. Can It?

This is a time of the year, however, that things can change dramatically in

a very short time, so you definitely need to start the process of planning and preparing on your farm to have everything in place for that first big push into the fields.

One of the first things I recommend doing is having us get an early start on filling your on-farm fuel storage, since it would be very beneficial if we can start moving product out before the spring thaw and spring rains settle in.

Another item on the *Things To Do List* for your pre-spring plans and preparations needs to be laying in your oil, grease and other lubricant and fluid needs as soon as possible.

If you have one of the bulk oil systems, be sure to take a few minutes to visit with our people about delivery of the specific bulk products you need, and if you don't have one of these bulk systems, now would definitely be a good time to investigate all the advantages, benefits, flexibility, savings and convenience they offer.



Feed For Thought

By
Jason Smit

BEEF NOTES: For those of you who aren't as yet aware of it, due to the opening of a highly anticipated job opportunity for her husband in Illinois, Ashley Paddock has resigned her position as Beef Specialist.

Ashley did a fine job serving our beef producers, for which we thank her and wish her the very best for

the future.

Hopefully, Ashley was able to complete any and all commitments prior to her departure, however if there are any loose ends that remain, please contact me at the Pella location so I can follow up on them with you immediately.

I know that the spring calving season is already underway on many operations, for example, thus if there are any products, nutritional questions, calving time management issues or anything else that you need assistance with and/or service on, please communicate those needs to me for prompt attention.

SWINE NOTES: As many of you probably have seen or heard, the price for Di Cal will be taking a 50% increase effective March 1st.

In response, Two Rivers will be making some modifications in our grow/finish ration formulations for those feeding the Land O' Lakes program, and this should help your sows as well as your bottom line.

The quality of the finished ration will remain the same, however there will be some changes that you will see in the feed ingredient tag so you can avoid the risk of over-feeding an ingredient that will be costing \$600.00 per ton as of March 1st.

The Two Rivers feed mill has the capability and flexibility to immediately and effectively respond to sudden changes in feed ingredient costs and/or availability by making modifications in the formulation.

That gives our livestock producers a very distinct advantage in their operation, especially in times such as these when the cost of inputs continues to be high.

A Challenging LP Season For All

By Scott Bensink

Delivering LP to the farms and homes of our area customers is a challenging task even during the mildest of winters, so I am sure you can imagine the huge challenges and often hazardous conditions our LP Delivery Team has been facing in what has been one of the harshest winters in at least the past decade.

LP demand is at an all time high across much of the Midwest this winter, and that's definitely true here in Iowa and for our local area, and this has put even greater pressure on already tight supplies.

We have sincerely appreciated all of the cooperation and extra efforts so many of our customers have provided to help our drivers keep pace with high usage and overcoming the obstacles that snow, ice and drifts have been causing this winter.

*More of the same may be needed as March arrives, and I again remind you that we greatly appreciate having everyone periodically check their gauge to verify how much remains in the tank, even **Keep Full Route** customers, since in these periods of high usage, the needle drops rapidly.*

If you see your supply has reached 25% or so, feel free to call to alert us you will be needing delivery soon, since this allows us to plan, coordinate and schedule delivery in our regular daily route services.

SEE IT

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to give the members and patrons a clear and definitive choice, plus a strong, unified voice, in the agricultural markets and marketplaces.

With all that's going on, it appears to me the importance and value of having a choice and voice has been, or is being, sacrificed for the sake of short term gain, and I fear there may be dire consequences that await.

I am not alone in these thoughts, though it occasionally seems there's a steadily shrinking number who do share them as the corporate giants continue to grow larger and wield ever-increasing control by buying out or forcing out any competition.

Last summer, in addressing the same proposed acquisition of Great Lakes Co-op, General Manager Ed Bosanko of WFS in Minnesota, wrote in his newsletter to ask:

"Are we at a point in cooperative history where members are willing to sell out the cooperative for financial gain?"

"I for one hope not. If we give what we have built over the past 70 years to the independents, we may soon realize why we were created and would have to start all over again. It's something to think about."

Something to think about, indeed. And for possible insights into those prospects, we really don't need to look back at the 20s and 30s, for there is plenty of evidence we can find of the possible consequences we face by sacrificing the choice and voice our cooperatives provide.

For example, make no mistake about it, a portion of what is happening today in the crop nutrient industry is a direct result of no longer having a cooperative presence in the market, since the rapid consolidation of the marketplace has resulted in a select few private mega and multi-national corporations having virtually absolute control.

Perhaps more appropriate to this issue, since it's from a gentleman many of you know, one who was at our Annual Meeting this past year, just as he has been at all but one Annual Meeting since 1937, with that one absence for the funeral of his mother, are the following words spoken by Tudor Ver Meer at the 75th Annual Meeting of the Farmers Cooperative Exchange in Pella in 1995.

"I believe that our co-op is just

as necessary for us today as it was to our forefathers 75 years ago. We need the co-op to promote competition, police the market and prevent monopolies.

"Let us appreciate what we have. It is a human failing to take things for granted.

"... Take a little time to imagine what things would be like if we didn't have the facilities and the equipment and the services that we have. We can hardly imagine what these things would cost at today's inflated prices, so let's not be short sighted.

"... Always remember that we have to help ourselves and each other. We can't depend on Government to help us. There are so few of us left that we don't make much of a ripple. Politicians don't take us very serious because the farm vote is not that important anyway. We are a drop in a bucket.

"Neither can we depend on giant agri-business. I will always remember the time in the 60s or early 70s that the giant fertilizer companies were sending the products to Europe because that was more profitable. Of course they were only interested in the bottom line and shareholder stock. If it had not been for farmer owned regionals such as Farmland, Land O' Lakes, Farm Services and others, we farmers would have really been short changed."

Many of the words Tudor spoke at that 75th Annual Meeting have indeed turned out to be prophetic, and it's particularly remarkable to see how we have come virtually full circle in regards to the fertilizer issue.

One of the driving forces for the

cooperative system's entry into the crop nutrient marketplace back in the 70's was due to the way the then privately owned and operated fertilizer industry virtually ignored the crop nutrient needs of the American farmer by selling out the vast portion of their inventories to the highest bidder, in this case Europe, where they could get the biggest profits.

Farmers clearly benefited from the cooperative system's entry, presence and participation in the fertilizer marketplace throughout the remainder of the 70's, and on into the early stages of the 21st century, since that presence provided solid competition and prevented monopolistic control.

And, as I mentioned earlier, I truly believe we are now experiencing the consequences and costs of the absence of a cooperative influence and presence in the crop nutrient marketplace.

The cooperative system has always been dedicated to providing services to the local farmer and farming operations who are its members and patrons, and to creating a healthy, viable and competitive environment in which the market and marketplaces it operates in can function to allow local farmers a voice and a choice.

Nevertheless, there are powerful forces at work today whose motives are driven solely by the ever-expanding profit margins and growing the quarterly returns they can stack up for their moneyed investors.

So, as I ponder the question Ed Bosanko asked in his newsletter article: *"Are we at a point in cooperative history where members are willing to sell out the cooperative for financial gain?"* I can only reply: *I Sincerely Hope Not!*



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