



# Two Rivers

## Cooperative

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[www.tworivers.coop](http://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 2012



### Agronomy Update By Jay Van Woerkom

A year ago at this time there started to be some measure of stability forming in our crop nutrient markets, and that gave Two Rivers and our customers the opportunity to finish filling out the remainder of the N-P-K needs we would have for spring applications to benefit the 2011 crop.

It would appear a similar situation is underway at this time, with the crop nutrient market settling down to start the year, so once again I think we need to look at this as an opportunity to cover the remainder of your nutrient needs for 2012.

We are, of course, coming off a huge fall fertilizer season, one in which all of our customer's P & K orders have been completed, and NH-3 applications were also wrapped up as favorable weather allowed tool bars to be pulled on into December.

In fact both P & K spreading as well as NH-3 work are still going on as we start out January, a rare sight indeed, especially in recent years when our fields were buried under several feet of snow.

Obviously, favorable weather and field conditions made so much of this work late in the year possible, but let's not discount or diminish the critical role of advance planning and the great cooperation we've received from our customers in all of this work.

Both are the key ingredients necessary to getting the most work done each day we're able to apply those products, and we sincerely thank all of you for working with us to plan and schedule

orders with the maximum amount of efficiency.

As we go to press with this newsletter at the end of the first week in January, the Two Rivers Agronomy Team is therefore still assisting customers with P & K, lime and NH-3 work in whatever fields they have listed with us.

At the same time, they are also doing a variety of other things which will get you and your farming operation, your crop fields and all of our equipment and custom applicators ready for the spring season to get underway, and realizing April 1st is less than 90 days from now makes us recognize how soon that day will be here.

Among the activities we're involved in are ...

... **Reviewing, evaluating** and firming up farm and field plans.

... **Taking orders** on these and other crop protection products, such as fungicides, insecticides and seed treatments, so our customers can get the best savings before prices increase on January 16th.

... **Going over FSA** aerial field maps to update them on any changes or improvements that have been made in individual fields, and with so much tile being laid this fall that's been a big part of the process.

### GRAIN MARKETING \* RISK MANAGEMENT CROP INSURANCE UPDATE & REVIEW

*All Of These Topics & More Will Be Presented  
At A Special Information Meeting On*

**WEDNESDAY, JANUARY 25TH - AT THE PELLA OFFICE**  
**Lunch At 11:30 With The Meeting To Follow**

*Topics Of Discussion Will Include*

**Market Response/Reaction To January 12th USDA Reports**  
**Crop Insurance Update For 2012 - Changes & New Wrinkles**  
**Crop Risk Management Strategies For Profitable Results**  
**Introduction Of New Grain Brokerage Services From Two Rivers**

*Please Advise Of Your Attendance Plans By January 23rd  
So We Can Make Proper Arrangements For Meals & Materials*

... **Reviewing and discussing** Answer Plot data and yield results with customers to assist in corn hybrid and soybean variety selection and placement decisions.

We have also posted the results from the Answer Plot on their web site so you can go on line to check out this information at [answerplot.com](http://answerplot.com).

... **Putting together** the best combination of pre-plant and post herbicide products and programs for the corn and soybean acres you'll plant.

Your Two Rivers Cooperative Agronomists are teaming up with the major crop protection and seed companies to vigorously promote and encourage the use of a residual herbicide program to be applied pre-plant/pre-emerge to provide numerous timing and flexibility benefits.

This will also help stave off the development of weed resistance and/or tolerance to post herbicide applications, and assure more profitable crop production through sound crop protection practices.

There are numerous effective and economically priced products available for this strategy, and most of the major herbicide manufacturers have established rebate programs to make them even more economically priced and attractive for you to use.

## Fuel Facts

By  
Scott  
Bensink



We start out this new year with all fuel prices moving higher, reflecting the \$4.00 per barrel increase in the price of crude that hit the market the day I was putting this article together.

There are serious tensions again in the Middle East, with the Iranian situation a particularly sensitive area.

The very real and serious threat of them shutting down shipping in the Strait of Hormuz creates concerns throughout the fuel/energy complex, since there's a tremendous amount of oil which flows through there to supply many E.U. and Asian countries.

We get some of our oil out of the Middle East as well, of course, but the vast majority of the crude we import comes from our neighbors in Canada and Mexico.

It would definitely improve the overall energy situation if we could get the proposed pipeline to the Gulf out of the starting gate, but the environmentalists opposing it are firmly entrenched, well funded and thoroughly dedicated to preventing it from ever being built.

I therefore look for the marketplace to remain as volatile in 2012 as it has been over the course of most of the past decade, with the seriousness of the Middle East tensions perhaps even ratcheting up the volatility a notch or two higher at times.

With that in mind, I am pleased to report we have put a **Spring Diesel Contracting Program/Price** together so you can be watching for opportunities to layer in gallons with contracts when the contract price reaches a point that works for you.

As always, the contracting price fluctuates day to day, and possibly even within the same 24 hour period, so you need to be keeping track of how the market is trending and be ready to contract a portion of your needs when dips in the market occur.

It's also going to be interesting to watch how the price gap between regular gasoline products and those fuels that are blended with ethanol settles out now that the 45 cent blenders credit for ethanol production has

ended.

On the energy front, it's been absolutely amazing how mild the winter season has been thus far, and having temperatures in the 60s the first week of January is something I'm sure few could have expected, especially when we think about how severe the weather was the past few Decembers and Januaries.

However, even though we've basked in the warm sunshine for so many days this winter, temperatures are still drifting down into the 30's or lower on many nights, so the furnaces are still running quite a few hours each day and your LP supply is steadily dwindling in the process of keeping your home and buildings warm.

It doesn't hurt, therefore, for those of you who place LP orders as needed to keep checking your tank gauge at least weekly to stay on top of where you're at with your supply, since we still need those advance orders for delivery to enable the drivers to route you in with their regular stops, and since the cost of running out of LP is one you definitely want to avoid.

Finally this month, if any of you are purchasing new equipment for your farm as you look ahead to the 2012 planting season, be sure you take some time to visit with Lonnie or Gary about the tremendous warranty protection package we can offer to you.

There are warranty programs for both new and used equipment, and the protection they offer is unmatched by any other warranty available anywhere in the industry.

## Craig's Corner

By  
Craig Hetland  
Tracy Location  
Manager



I would like to take this opportunity to thank all of the patrons who helped to make the first 4 months of operations at the new Tracy location facilities such a huge success.

We sincerely appreciated your business, your support and encouragement, and we thank you for giving us the opportunity to be of service to you.

For those of you who have not as yet had a chance to stop by, I'd like to invite you to do so the next time you are in the area.

The coffee is always on and we would love to have you stop by to look over your Tracy location's facilities.

When it comes to handling your grain, Two Rivers Cooperative's Tracy location has been fully equipped and is second to none in our capability to serve your grain needs smoothly, efficiently and in the most timely manner.

We have two receiving pits and grain legs to get your grain delivery unloaded and you back on your way to the farm very quickly.

Additionally, our new NH-3 facility is up and running strong, and we are coming off a very busy fall that gave this new asset a good workout.

If you would like to have Brett, the Two Rivers Agronomist assigned to the Tracy location, stop out to visit with you about your spring crop plans and needs, please do not hesitate calling us at 949-6411.

And of course always feel free to stop in any time you are in the Tracy area so we can visit with you about any of your farming needs.

## Livestock Production

By  
Nick  
Steinbach



No doubt about it, this weather up to now has been a lot easier on cattle than the kind of weather they were out in the past several years.

The favorable weather may have also caused some cattlemen to delay implementing some of the usual **"Winter Maintenance"** programs for their cattle, but hopefully things have

**LIVESTOCK**

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## NOTICE

**2012 Private Pesticide Applicator Continuing Instruction**

**Sponsored By Marion County Extension Service Will Be Held**

**Thursday, February 2nd At 1:30 p.m.**

**At The Pella Location Meeting Room**

**Contact County Extension For Additional Information/Details**



## Marketing Analysis By Justin Huebner

I am very pleased to announce that we are now ready to **Take The Next Step** in the grain marketing and risk management services we are offering to serve our customers at Two Rivers by **Taking Our Services To The Next Level** of marketing expertise.

I have recently completed all of the requirements necessary to qualify for my **Grain Broker's License**, and at the **January 25th Grain Market & Crop Insurance Update Meeting** that is announced on the front page I will be discussing the brokerage services which I will be able to provide to you in greater detail.

If everything progresses according to the schedule we anticipate, and there is every reason to believe that it will, I will be able to offer interested customers the full compliment of brokerage services available starting in mid-February.

In anticipation of this, and because there some time is needed for individuals to complete all the paperwork in the application process to open their own trading account so they can utilize our new brokerage services as soon as they become available, we have made arrangements with INTLFCStone to assist you in getting this preliminary process underway.

Obviously, we are very excited about this latest addition to the list of grain marketing and risk management services Two Rivers can now bring to you and your farming operation, and I certainly welcome the opportunity to visit with you about our services, and/or to answer any questions anyone might have.

Please do not hesitate contacting me at Pella, either by phone, by sending me a note through my e-mail address at [jwh@tworiverscoop.net](mailto:jwh@tworiverscoop.net), or stop in so we can visit in person.

**MEETING NOTES:** As announced on the front page this month, we're having a **Grain Marketing, Crop Insurance & Risk Management Meeting on January 25th** and I hope many of you will set aside time to be there for the information which will be discussed.

We'll naturally review the market's

response to the **January 12th Crop Production & Stocks Reports** from USDA, I'll be offering additional information and answering questions about the new grain brokerages services we will soon be offering, and of course **Eric Sorensen from ABIS will also be there** to explain what's new and what changes have been made in the crop insurance industry so you can evaluate those issues and make your decisions for coverage and risk management for the upcoming crop.

We had a very good response to and received many positive compliments about the meeting we sponsored with a similar agenda a year ago, and we feel this year's meeting will be even more informative for you.

**MARKET NOTES:** The new year begins with the corn and soybean markets finally securing a divorce from the economic uncertainty and general financial mess in the European Union countries, something many of our markets have been married to for so much of the last half of 2011, and which have been a major influencing force driving grain prices during that period.

Now they're becoming increasingly linked to the natural forces brought on by Mother Nature, and more specifically to the increasing concerns over the La Nina event that's currently influencing weather in both North and South America.

Many weather gurus claim this current La Nina is the most severe since the ones that caused crop problems in the 1950s and again in the 1970s, and at this time the combination of hot, dry conditions in South America has already caused them to reduce the projected size of their crops.

I typically take such reports about crop "disasters" from outside our borders with a few grains of salt, and the tighter the governmental control over the crop, the news media and the nation, the more grains of salt one needs to swallow such reports.

It has been dry, however, as our local climate attests to, and our present extended dry spell, accompanied by

these unseasonably warm weather, does indeed intensify concern about whether or not this will be the year when annual predictions of drought-like weather by various "**Climate Experts**" will actually pan out.

## LIVESTOCK

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not been allowed to slip too much.

It is a lot easier and definitely a lot more economical to maintain cow condition at a proper level than to let it slip down and then have to invest more to play catch up.

Cattle are adapted to do alright in colder weather, but it's going to be a long time until we see green grass out there again, so there are some things everyone needs to be taking care of as winter progresses.

Feed intake is the main way cattle produce heat, so as temperatures drop, and they will, be prepared to increase feed intake and quality.

Also have a good energy supplement like range cubes or ovals ready to go, and/or pour bales with QLF for added protein/energy, to increase palatability to reduce waste.

Be prepared in case extremely cold weather or winter storms create watering problems by freezing lines or causing power outages. Have a back up plan ready to plug in before these situations develop rather than scrambling after the fact.

Wind breaks and bedding are essential when weather turns nasty.

A well-planned wind break typically does more good sheltering cattle than a barn, since they tend to pack into barns, ventilation isn't as good and humidity is high, all of which can increase health challenges.

Cattle can usually deal with some very severe conditions if they can get out of the wind and have a dry place to lay down, so have materials like corn stalks ready to create dry areas.

Finally, check cattle at least weekly to monitor body condition, since you want to make sure they're not losing any weight prior to calving.

**DO YOU NEED TO RE-CERTIFY FOR 2012?**  
**Check Your Private Pesticide Applicator License**  
**To See If It Expired December 31, 2011**  
*If You Need To Re-Certify For 2012*  
**Contact Your Local County Extension Office For**  
**The Times-Dates-Locations Of Additional**  
**Private Pesticide Applicator Continuing Instruction Sessions**  
**Private Pesticide Applicator Re-Certification Testing Sessions**



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ADDRESS SERVICE REQUESTED

Let me start off this January issue of the newsletter by extending our **Best Wishes to all for a Happy, Safe & Prosperous 2012.**

The new year starts as most do, with much excitement and anticipation as we ask the familiar question: **What will the new year bring?**

As we move forward, Two Rivers will be here to help you make the most of the opportunities that present themselves, and we look forward to being of service to you and your farming operation, your homes and businesses.

**PRICE LATER OPEN:** I am pleased to announce the opening of our **No-Charge Price Later** program for corn and/or soybeans delivered from the farm to any Two Rivers location.

As always, this program gives you an outstanding opportunity to take advantage of good weather, open roads and bin accesses to pull grain out of your farm bins and deliver to the elevator in town, with the final pricing of those bushels to be established by you anytime between date of delivery and September 30, 2012 when the contract expires.

The weather we're having at present makes this program even more attractive, since I am sure we all know Mother Nature will not continue to favor us with such mild conditions all winter, therefore we need to take advantage of this great weather now.

Price Later also puts your grain into position for immediate sale with just a call to your local office to price bushels any time the market is open, trading and reaches a pricing target you've established to trigger sales.

You can also use Price Later in conjunction with **Offers** you list with your local offices for sales of specified volumes of grain at a specified price or prices whenever you are traveling, planting the crop, working in the fields or otherwise out of touch with the market for whatever reason.

And of course delivering your corn/soybeans and using a **No-Charge Price Later Contract** now means you do not have the time or expense of managing and protecting grain quality and

condition during the changing and often challenging weather of winter, the spring warm up, or during the summer season when heat and humidity create ideal conditions for grain to sour and spoil.

So if you have grain stored at home today, please consider all of these benefits and advantages of using our **No-Charge Price Later** program in the days ahead.

**A VITAL ISSUE:** At this time I would like to encourage all Two Rivers customers to stay in contact and/or communicate with any one or more of the agricultural or commodity organizations they are members of, such as the Corn/Soybean Growers Association(s), Farm Bureau or others, regarding an issue I believe is very important to farmers, and to the cooperatives or others which they sell grain to.

Lately, I have been hearing "**rumblings**" about a movement that's underway by the Iowa Bankers Association to push a proposal through the upcoming Iowa General Assembly that convenes to start the new legislative session this month.

This proposal would call for the establishment of an electronic central filing system to require the name of any/all holders of liens on the grain being sold to be included on the settlement check any/every time as much as one bushel (and certainly more) was sold to any grain dealer (cooperative or otherwise).

First of all, it should be understood that for quite some time now there has been a system in place under which banks are required to notify those grain businesses to which one of their customers would be selling grain "**if**" they desired a two-party check listing their bank as a lien holder be included on the settlement check.

Obviously, in those instances the business purchasing the grain would comply with the request of the bank or other lien

holder to include the name of the bank/lien holder on the settlement check along with that of the seller(s) of the bushels.

There are, of course, numerous other instances when a bank or another lien holder does not request to have their name included on a grain settlement check, and under the current system the business purchasing the grain is not required to issue a two party settlement check to the customer selling the bushels.

Clearly, I have simplified the issue considerably for the point of presenting this information to you in the limited space here, and hopefully also in general and layman's terms rather than the legal terminology which virtually all legislative matters are handled.

Suffice it to say after making those qualifying statements, however, it is my understanding this newly proposed electronic central filing system being promoted by the Iowa Bankers Association would essentially result in having virtually all grain settlement transactions become two party checks, since those businesses purchasing the grain would not have the specific knowledge or information regarding the status of the grain seller's financial obligations (information which lenders are privy to) necessary to decide whether or not to include the name of a lien holder on the check.

Furthermore, I feel creating an electronic system for this purpose to replace the current system which has worked well, and which also offers some measure of choice for lien holders, opens up a **Big Can Of Worms** for all, since it appears to me such a system would make the personal and private financial information of individuals much more of an open book to other businesses, institutions and perhaps even to other private individuals that may gain access to that electronic system.