



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

October, 2007



Crop Talk

By
Robby
Wilson

CHECK CORN STANDS: I know everyone has been concentrating just about all of their time, energy and attention on combining their soybeans, but if you haven't yet set aside a little time to investigate and evaluate your corn stands, *Do So Now!*

We know there has been some stalk rot and other disease problems out there in a number of corn fields.

We also know there were some root problems caused by rootworms feeding, and that's in both first and second year corn.

And we know that the weather patterns of this year with some extreme variations in wet and dry periods could have also created some weaker stands.

So get out there and do the *Pinch Test* on corn, especially any of the hybrids that you've experienced any of the above problems with in the past.

That way if there are any stalks that collapse and/or feel soft and mushy when you pinch them, you can prioritize those fields to combine them first to prevent downed corn losses.

It will take more time to harvest a field where poor stalk quality has failed your stand in a strong wind, and time is the one thing you just don't want to sacrifice at this stage of the season if you don't have to.

It will also require additional fuel to go after a stand that has been dropped by one or more of the above stalk/root problems, and that's an added expense



The new, larger scale at our remodeled Monroe location offers added flexibility and much more room to maneuver for all traffic arriving to deliver grain.

you don't need to absorb either.

You never know if or when the next 30-plus mph wind will come blasting through your fields, but history shows us someone in our trade area typically gets hit every season, so taking risks with waiting rather than combining a weak stand could prove costly.

So take time to check your hybrids for stand quality and strength to be one step ahead of the time, expense and losses you could suffer as a result of a weak stand that goes down.

LET US KNOW: As you finish combining a field, please get in touch with us to let us know if that field is ready to be soil sampled, grid tested, and/or if it's ready for fall fertilizer to be spread.

This will enable us to keep pace with your progress on-the-go, supplying these and any other crop services for those fields while you're down the road harvesting the next field so we can both be one step ahead of the weather and the calendar as the fall season progresses.

By keeping us advised of where

you're done and what's ready *Forty Acres At A Time* rather than waiting until you've finished harvest on the entire farm, we can get the biggest jump on fall work and have the best chance to get more acres behind us so that when harvest does wrap up everyone can shift to fall programs and get more done.

FIRMING UP PLANS: The Two Rivers Sales Staff is anxious to meet with you to address any of your questions about this year's crop and selecting next year's inputs, and that goes for seed, N-P-K, lime, and other products, programs and services.

They can stop by your farm, meet you in the fields or, if you have some time, you can stop by any of the Two Rivers locations to visit with your Agronomist to get the wheels rolling on what needs to be done to get the best head start on fall work.

The results from test plots and your

CROP TALK

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Fuel Facts

By
Scott
Bensink

The 2007 harvest is off to a very strong start, and over the past week or so there have been quite a few soybean fields taken out, plus a few have made a quick run at some corn to see what their crop looked like.

Our Fuel Team is doing its best to keep pace with the progress you are making in the fields each day, and hopefully you have been keeping them up to date and advised of your needs in advance to assist them in providing you with the best service possible.

As always, that one quick call in advance to let us know when you're going to need fuel is the best way to keep things moving smoothly and efficiently, since it lets us plan and route deliveries each trip out into the country to get the most gallons on the farm to our customers needing fuel.

With the large volume capacity of our fuel delivery trucks, we're able to save time, save trips and save you and us money when the delivery routes can be planned in advance, so please continue to call when you see that your gauge is approaching the half full mark and we can keep everyone well supplied as corn harvest gets rolling.

This fall we've been and will continue to deliver the B5 blend (5%) of SoyDiesel to the farm, unless the customer specifically requests otherwise.

One thing to keep in mind about SoyDiesel is that its characteristics provide for additional cleansing properties, so there is the potential for some fuel filter clogging to be caused.

This will gradually fade as you continue to use SoyDiesel, however for the first few tank fulls it might be a good idea to check fuel filters and/or to change them to get rid of the deposits that are trapped.

There's really not much more I can say about prices that hasn't already been said a number of times in previous articles, since volatility and on-going concerns about any Gulf Region storms keeps the pressure on, along with the surge in demand.

Everything seems to suggest the soybean crop is turning out to be bigger than most anticipated, and there's

strong agreement that the corn crop will also surpass prior expectations as the action shifts from beans to corn.

Big yields and more acres of corn add up to even heavier pressure on supply, so I'll once again recommend you to operate off the top half of your fuel inventory on the farm, and continue to call well in advance to place orders with us so we can keep supplies flowing as smoothly as possible.

The Energy Team will appreciate the same type of advance notification from those of you who may need to have some dryer gas delivered for your LP grain drying system.

As fast as corn moistures were dropping as I put this article together heading into the final few days of September, it doesn't look as though there will be much corn drying needed.

But then again, it's better and will pay off more in the long run to invest in a little drying if it's needed to get corn down to the recommended 14% moisture before putting it into the bins than to risk a lot of damage and quality problems - and the dockage discounts associated with them - so don't put that crop away too wet!

It's also better to bring in a crop that is a little higher in moisture than you would normally combine it at, and invest in drying to remove a few points of moisture, if there are risks of corn going down as a result of stalk and/or root damage.

Speaking of drying corn, if anyone

still needs to have Jerry take a look at and/or do any service work, repairs or maintenance to their grain dryer system, *Please Call Now.*

CROP TALK

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own fields will give us a good place to start on seed selection, and there are some exceptional yields being taken out that clearly prove the value of the new traits and technologies coming into the seed industry.

Obviously, if there are specific corn hybrids, soybean varieties and/or particular traits within those seeds you are definitely going to want to plant in 2008, get an order filled out to reserve your needs, as supplies of the top performers will, become limited soon.

I realize it's only early October as you're reading this, and that it may seem like we have all the time in the world to do these things, but we also both know how fast that time will disappear in the weeks ahead.

The time you spend to get some of these plans, programs and services lined up in advance will be *Time Well Spent*, especially if Mother Nature and the calendar turn against us.

And I am sure that you'll be glad you took the time now to *Get The Ball Rolling* early rather than waiting too long and finding yourself saying "*I could have, I should have, I wish I would have.*"

Keep An Eye On Marketing Opportunities

By Tracy Gathman

We have definitely entered a new and exciting era in grain markets and marketing, one in which there are many outstanding opportunities to lock in prices for corn and soybeans that are higher than we have seen in quite some time.

Are you taking advantage of these opportunities?

The nation's three major crop commodities, corn, soybeans and wheat, have apparently entered into a fierce battle for acres already as each crop uses price in an attempt to attract acres from each of the others or, if nothing else, to at least hold on to its share of the acres without having additional acres switched away.

While this battle has driven cash, new crop and even future crop prices higher and emotions are running strong, we must continue to remind ourselves that we operate in a world marketplace, not in a vacuum, thus even these exciting opportunities will not last forever.

It is also important to keep in mind that while the returns have seldom been much higher on sales of corn and/or soybeans, the risks are also at an elevated level, thus the need to manage risks has seldom been more important.

A solidly planned, carefully thought out marketing strategy with your goals firmly defined, plus the use of flexible marketing tools, including the protection from risks by various insurance coverage products, will give you the best chance of reaching your marketing objectives, realizing a sound return on your investments, and will at the same time protect you from the risks that our volatile and unpredictable market and our uncertain world can put in your path.

Two Rivers offers the full spectrum of crop marketing and risk protection services to help you participate in today's exciting markets and marketing opportunities, and we encourage you to talk to us about using them.

**Seed
&
Stuff**
By
Jay
Van Woerkom



As you can see from the information elsewhere, we're just starting to bring in some of the yield data from area test plots and field trials, and the results are indeed dramatic!

Obviously, the stacked trait genetic hybrids are proving their value with outstanding performance and increased bushels per acre, and many of the new genetic seeds that will be coming into the picture as we move into 2008 will be of the stacked hybrid category.

The price per bag of seed is, of course, higher, but the payoff is well worth the investment, and significantly higher yields are clearly paying for that additional cost.

Plus, you're buying the genetic protection in the seed you plant, not spreading or spraying protection products and programs separately, which saves a huge amount of time and expense.

Speaking of protection, there was quite a bit of research done plus numerous plots and trials on the application of fungicides to corn all across Iowa and elsewhere this season.

Thus far the early results are showing a 9 to 25 bushel per acre yield bonus on 23 different side-by-side numbers in southeast Iowa from application of products like *Quilt*.

We'll have a lot more yield and performance data to share with you next time, and between now and then I encourage you to talk to the Two Rivers Sales Staff, as they are receiving constant updates about seed and other strategies that we feel will be helpful to you as you start making your plans and decisions for 2008.

Speaking of which, there's never been a more true equation than this one: *Big Yields Equal Big Nutrient Removal From The Soils.*

As fertilizer costs continue to increase, the need to put those nutrient investments where they are needed the most and where they will provide the best crop/yield benefits has never been greater.

And that means *Soil Testing/Grid Sampling* to determine optimum

nutrient rates is a must. Be sure you have all your soil records up to date and schedule our sampling services for any/all fields that are outdated.

I also want to remind you to talk to us about the *24-24 Program* I introduced last month that will *Save You \$24.00 Per Bag* with a minimum 24 bag order up to a total of 108 bags.

Plus there is the new Two Rivers *GPS & Seed Partnership* program, which was also introduced last month, that gives you a tremendous opportunity to utilize the very latest in today's seed and crop nutrient technologies.

Your Two Rivers Agronomists and the Safes Staff have the details on these programs, so *Talk To Us Today!*



**Feed
For
Thought**
By
Jason Smit

With October just a couple of days away as I write my article this month, the first order of business I need to touch on is to encourage all of you to take some time now to inspect your livestock buildings so you're ready for the seasonal transition to gradually colder weather.

We can encounter a lot of flu and other respiratory problems during this shift in the weather, and drafts entering the buildings can be among the biggest contributors to an outbreak.

You'll also want to be aware of the transition from summer to fall and winter diets, and how the reduction in the fat content that's been fed

during the summer months to help compensate for reduced consumption will now result in higher consumption levels.

This, plus the added enticement of fresh, new corn now coming into the picture, helps explain why the fall period is typically the one in which consumption levels run at their highest.

Next, I've had a few calls from producers to ask about what can be done with pigs biting the tails of their pen mates, and the first thing you need to do is to *Get Tail Biters Isolated.*

This can be a very troubling problem, and it's therefore very important that you observe pigs closely and frequently so you're able to take action at the first signs of tail biting.

There are some things we can try to do with the feed of these pigs if we're able to catch this in the early stages, but experience has shown that once these little pigs get accustomed to the taste of blood, the tail biting steadily gets worse.

Tail biting can turn into an economically devastating problem if it gets away from you, so again, check pigs often, watch for tail biting carefully, and get any offenders isolated.

October Is National Pork Month, and I therefore ask all of our customers to join with us at Two Rivers as we express thanks and appreciation to our area's pork producer families and operations for the tremendous job they do.

Finally this month, Ashley has asked me to remind all of our area beef producers to be sure to contact her for your fall protein and mineral needs so the cattle you'll be turning out into stalk fields will get the most from the forages they will be consuming in these fields.

Two Rivers Cooperative Plot Data

From The Chuck & Ordell Birkenholtz Corn Plot - Monroe Area

Planted 4-30 - Harvested 9-17

Hybrid	Moisture	Yield
Dekalb DKC 63-46	24.9%	281.9
Pioneer 34A20	22.6%	224.9
Dekalb DKC 61-69 TV-3	19.6%	258.3
Asgrow RX674 VT3	19.2%	261.7
Dekalb DKC 60-18 RR/YGPL	19.5%	253.6

Additional Spot Yield Results Of Interest

Tracy Area - Dekalb DKC 60-18 Beans/Corn Rotation: 234 Bu./A

Otley Area - Dekalb DKC 60-18 Corn/Corn Rotation: 225 Bu./A



As I See It
By Tracy Gathman
General Manager

Last month in my article I touched on my feelings about the value that our cooperative system brought to the markets and marketplaces in which we operate, and specifically noted how the loss of cooperatively owned Farmland Industries and CF Industries had brought about significant change in the pricing and procurement of crop nutrients.

This month I would like to follow up on those comments, since your cooperative has just experienced the clear-cut and dramatic proof of just how much has changed in today's newly defined crop nutrient marketplace.

First and foremost, as I briefly alluded to last month, it is important that everyone both understand and appreciate that today the source of supply for the different crop nutrients is extremely limited.

Therefore, unlike the average consumer who can turn to anywhere from several to often many different sources of supply to get the most favorable pricing and terms, we and other suppliers typically have only a couple and often only a single source of supply that can be relied upon to provide the nutrients our customers will need in the volumes and at the times they will need them.

That's a critical part of the equation everyone also needs to keep in mind, since as a farmer-owned cooperative our responsibility to you, our members and patrons, is to provide you with a dependable supply of the inputs you need when you are ready to use them.

That is, after all, what cooperative's were formed for in the first place.

That means we don't have the flexibility nor can we take the risks of "playing" in the open market, waiting until later or in-season to obtain the supply you need.

Yes, it's always possible we might guess right and get a better deal later.

But with the vast changes that have taken place in the crop nutrient marketplace we operate in today, that possibility has become even less likely to occur.

Demand worldwide has mushroomed, especially in China and South America. The governments of those countries are pouring vast sums into expanding food production, creating new markets for

crop nutrients, and they are able and willing to pay more for them than what we were paying when those supplies were virtually all flowing into the U.S.

With no cooperative presence in the marketplace, today's nutrient suppliers are like all investor-owned corporations, driven by the goal of providing the best return to their investors.

So if China is willing to pay X more dollars for a particular nutrient than they supplier can get for selling the same product here, just who do you think that sale will be made to?

The bottom line is there is simply no margin for error in trying to out-guess or out-wait the marketplace in hopes of obtaining the products all of you will need in the volumes you will need them, even at a potentially lower price, because the consequences of guessing wrong would at best be an even higher price, and at worst, not a sufficient supply to meet your needs.

Keeping these issues in mind, here is how the *New Crop Nutrient Marketplace* we now operate in works, and how it impacts our decisions and, ultimately, yours.

In early September our NH-3 suppliers notified us of their price and terms for next spring's NH-3 supplies.

To secure that price and the supply, it was necessary for us to pay a 25% deposit at the time we placed the order, with the balance due by December 1, 2007, and we were given until the end of the day to decide.

If we let the deadline pass without placing an order, both the price and, even more importantly, the availability of supply, were subject to change the next day.

In fact, with the supply and demand fundamentals of crop nutrients these days, it might be days or even weeks before another opportunity to secure

your needs might be available to us.

That's the *New Crop Nutrient Marketplace* we're operating in, and it's basically the same for all N-P-K orders these days.

As you can see, to assure our customers of having the supply of nutrients they will need at a competitive price, we must place our orders for those supplies long before many of you have even made your basic decisions about the crop those nutrients will be applied for.

Now, when you also add in the increasing uncertainties about how many acres will be planted to different crops, something that in the past was so much easier to calculate when all of you were following the traditional corn-soybean rotation, you can see there are and will be even greater risks associated with securing and providing your crop nutrient needs for the future.

Again, our responsibility to all of you is to secure the supplies you will need to produce your crops.

We must therefore make our commitments earlier, pay for inventories earlier, and establish our prices and programs earlier than ever before, and clearly, there are risks associated with this.

However, we feel this is the best way to manage our risks and the potentially devastating consequences associated with the volatile and uncertain crop nutrient marketplace we operate in, where even higher prices and supply shortages are both very real, and thus create even greater risks for us and for all customers.

One other thing to keep in mind as you consider your fertilizer plans and needs is that the nutrients you will be purchasing for application this fall and/or next spring are for the 2008 crop, and as of this writing it is possible to lock in a price of \$3.80 for corn and \$9.00 for soybeans delivered right out of the field next fall.



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