



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

September, 2008



Crop Talk

By
Robby
Wilson

It would appear we won't be getting too much of the corn or soybeans harvested until at least the latter part of September, at the earliest, and perhaps not too much work will be done until October is well underway.

Obviously, the longer it takes for the combine wheels to get rolling in the fields this fall, the less time we will have to address all of the work that needs to be done out there in your fields to get a head start on the 2009 crop you'll plant next spring.

I'm pretty sure everyone will also agree that once the combines are out in the fields and harvest is underway, no one will have or take much time to think about, talk about, plan or schedule things like grid sampling or soil sampling, seed decisions, fall burn down applications, spreading P & K or even fall NH-3.

The only time these issues will be on your mind is if/when we have a weather delay, when no one can be out there in the fields anyway, and/or when the harvest work is just about done, and by then there have probably been a lot of hours and days we could have and should have been doing those things, but we weren't because no plans/decisions had been made.

So, with perhaps 3 or more weeks ahead of us during which we'll all be anxiously and impatiently waiting for Mother Nature to finish up and **Make The Crop**, we have an ideal opportu-

nity before us to firm up plans, make decisions and get things lined up for work that needs to be done just as soon as the crop is out.

In the past couple of newsletters I've talked about taking time to evaluate products and programs, the choices and decisions you made, the ones you didn't make, and to try to get a firm handle on what worked and why, and what didn't work, and why not.

If you haven't done those things yet, **Take Time To Visit With A Two Rivers Agronomist** so you can have that valuable and vital information in hand as soon as possible so we can get together to **Put That Information To Work** for you and for your crops as we look ahead to fall work, and beyond.

One thing I would definitely like to see happen before the combines start up is that we have all soil sampling and grid sampling orders **On The Books** and ready for us to assign someone to take just as soon as the customer calls or stops in to tell us the crop has been harvested in the field and it's therefore ready for sampling.

Every day is going to count this fall, and while it's always easy to assume you'll remember to tell us you want soil tests and/or grid samples taken when

you've finished up in a field, all too often in the heat of a busy harvest season with the pressure on, it's far easier to forget to list those acres than it is to remember to do so.

It's much the same with any of the other post-harvest work, and while ordering fertilizer spreading services, lining up a burn down application or getting your name on the list for a tool bar and nurse tank a couple of days or so after you finish combining in a field normally doesn't slow the progress down too much, in a late fall like this one is shaping up to be we might not be able to afford the loss of even that short period of time.

By using the next two, three or so weeks wisely to plan, to make key decisions, to get products and services ordered and to have things listed on the schedule for attention once the crop has been harvested, we can make the best use of every day Mother Nature gives us this fall to get the best head start on next spring's workload.

PRIORITY: In closing I just want to remind everyone that since the fall season is a very dangerous time of the year, you need to be extra careful and extra cautious in all your work to **Keep Things Safe For All!**

We Look Forward To Seeing You & Your Family At
CUSTOMER APPRECIATION DAY
FAMILY BARBECUE & PICNIC

Wednesday, September 10th

At The Pella Location

Serving From 4:00 To 7:00 p.m.

RIBEYE STEAK & PORK LOIN SANDWICHES
CHIPS * SNACKS * ICE CREAM * REFRESHMENTS

*Bring Your Family To Join In The Friendship-Fellowship-Fun
With All Of The Members Of The Two Rivers Cooperative Family*



Fuel Facts

By
Scott
Bensink

DIESEL: Crude oil prices are once again on a roller coaster ride, moving up one day, down the next, and unlike the moves that were once measured in pennies, nickels and dimes, or at most a quarter or so a day, we're now talking in terms of dollars, and more often than not multiples of five, ten and even more dollars on a daily basis.

For example, the day before I wrote this article the price of crude was \$121.00 per barrel. At this time it's off \$4.00 to \$117.00 per barrel.

As a reflection of these shifts, the price of diesel moved 12 cents down one day, and was back up by a similar amount just 24 hours later.

There are no concrete reasons for these shifts in prices, nothing supply or demand driven, just the usual ebb and flow of fund investment and speculator dollars, and they have trillions at their disposal, that have driven our fuel, energy and so many other markets to these record-shattering highs.

There is no way to forecast or predict the next moves these markets will make, when they will happen, the size or even the direction they will take.

I do know, however, that if I had open storage in my fuel barrels on the farm and the market took one of these dips, like the 12 cent per gallon dip it took just the other day, I'd give some strong consideration to using that as an opportunity to order some gallons and to start the process of getting my farm storage filled before the harvest rush arrives.

Right now the contracting price for fall diesel does not compare favorably to the off-the-truck delivery price, so that's the way I would start layering in a supply to start off the fall.

But even while I was doing that, I would still be keeping a close watch on the contracting spread, since the two are bound to start coming together sooner or later, and eventually the contracting price is going to be an advantage, and you'll want to lock a price in.

As I mentioned earlier, the price of crude had dropped to \$117.00 per barrel as I was writing this.

However, Goldman Sachs, the

noted fuel industry analyst, has been very adamant that we'll see \$140.00 or more per barrel crude before the end of the year.

If correct, and this particular analyst has been correct the vast majority of the time in calling the market, we could see a big push higher in diesel costs before you have the crops all in, and I definitely would try to avoid being caught at the mercy of the open market with on-farm storage empty and the cost not covered by a contract.

LP: With harvest likely being later to arrive, there's a stronger potential for farmers needing to dry at least some of their corn this fall, so it would be my suggestion to get the LP dryer tank filled up soon before prices move even higher.

And speaking of LP, as many of you know, Jerry Aalbers, who handles dryer system service, repairs and maintenance for Two Rivers, has recently had arm surgery and is therefore not able to handle these chores for at least the next 4 weeks, and perhaps more, pending what the doctor says when he goes in for his next appointment.

If you need to have any work done on your LP dryer system between now and then, my suggestion is to make other arrangements to have your needs covered.

Seed & Stuff

By
Jay
Van Woerkom



Special Notice

PLOT TOURS CANCELLED

Due to several factors, including the late planting and replanting of this year's crop, demands for aphid spraying services running well into August, the Farm Progress Show underway at the time of this writing and various other commitments that have our seed company representatives, members of the Two Rivers Team and many customers all otherwise occupied, we made the decision not to hold group plot tours this fall.

Instead, we will be putting together a special **Customer Appreciation Event** for all of the customers who have purchased their seed needs from Two Rivers for the 2008 season, and we will be sending out personal invitations in the mail to those individuals sometime in September to invite them to this event.

We are very excited about hosting our seed customers for a **Customer Appreciation** event in the near future so we can have an opportunity to say **Thank You** and show our appreciation for the role our customers have played in making **2008 a Record Year and our Best Year Ever with Seed Sales over \$1.5 million.**

We will offer opportunities for any interested customer to have an **Individual Plot Tour On Request** at the plot, time and date of the customer's choice where the customer(s) can have one of the Two Rivers Agronomists join them for a personal tour of the plots to evaluate and compare the performance of different corn hybrids, soybean varieties and the different seed genetics and technologies that we offer.

We feel there is some very valuable and useful information you can take with you from a tour of these plots, and we feel that perhaps this will be a more effective and convenient way for customers interested in this information to spend time evaluating these plots, asking questions and getting the answers and information that is most beneficial to them directly in a one-to-one tour opportunity at the time, date and location more convenient to their individual schedule and needs.

APHID SPRAYING: We've sprayed a lot of acres this season, and fortunately by the time you're reading these words the beans that haven't been sprayed, and/or those that haven't required spraying, should be sufficiently mature to be through the aphid cycle.

LEAF DISEASES: It will be important for soybean growers to take time to scout their fields closely to identify leaf disease so we can distinguish correctly between **Brown Stem Rot** (BSR) and **Sudden Death Syndrome** (SDS) in soybeans in order to select the appro-

SEED & STUFF

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THE LATEST UPDATE ON SOYBEAN RUST

Reports from strategic plot monitoring sites indicate that soybean rust migration has been contained by dry weather conditions that have prevailed across the south, where this disease is able to over-winter in the United States. It should therefore pose no threat to Midwest soybean crops in 2008.

TWO RIVERS COOPERATIVE - 2008 FALL HARVEST POLICIES

Receiving Hours

Normal receiving hours will be adjusted on a daily basis as harvest dictates. Daily receiving hours will be posted in the offices.

Disposition

To insure proper processing of all grain settlements, please pick up a copy of the scale ticket after each and every load has been delivered to verify bushels and grades and splits (if applicable). Beginning September 1, 2008, all grain is to be settled within 10 days from the date of first delivery. If we are not notified within this 10 day period, the grain will automatically be placed on Warehouse Receipt with the appropriate drying, shrink and storage charges assessed.

Moisture Requirements

	Corn	Soybeans
Immediate Sale	15%	13%
Price Later/Minimum Price/Extended Price Contract	14%	13%
Warehouse Receipt	14%	13%
Grain Bank	14%	N/A

CORN

Moisture Averaging

Loads Testing 15.0% And Below Will Be Averaged Together * Loads Testing 15.1% And Above Will Be Averaged Together.

No Averaging Of Loads Over 15% With Loads Under 15%.

Drying Charges

5.50 Cents Per Bushel/Per Point Of Moisture Removed

Shrink

1.40% For Each 1% Of Moisture Removed.

Custom Dried Corn

Corn dried and hauled out during the harvest season will not be assessed a handling charge if it is hauled out within 3 days of initial delivery. Initial Delivery shall be based on each separate load.

Any custom dried corn that remains at the elevator after 3 days will be placed on a Warehouse Receipt with the Minimum Storage Fee of 16 cents per bushel covering the first 60 assessed.

Custom dried corn will be tested - both in and out - and moisture and shrink will be based on actual moisture removed. Custom dried corn will be charged a minimum of 10 cents drying per bushel.

SOYBEANS

Moisture Averaging

Loads Testing 14.0% And Below Will Be Averaged Together. * Loads Testing 14.1% And Above Will Stand Alone.

Moisture Discount

3.50% Of Price For Each Point Moisture From 13.0% To 14.9%.

5.00% Of Price For Each Point Moisture From 15.0% And Above.

STORAGE RATES

Corn

16 Cents/Bushel For First 60 Days * .0015 Cent Per Bushel Per Day Thereafter
Minimum Charges Repeat On Anniversary Date

Soybeans

18 Cents/Bushel For First 60 Days * .0015 Cent Per Bushel Per Day Thereafter
Minimum Charges Repeat on Anniversary Date
(All Corn & Soybean Accrued Storage Charges Will Be Billed On A Monthly Basis)

GRAIN BANK STORAGE

No Charge For The First 30 Days Following Delivery (Any Month)

October Thru March

April Thru September

.0015 Cent/Bushel/Day

.00075 Cent/Bushel/Day

Any Grain Sold Out Of Grain Bank/Not Hauled Out As Processed Feed Will Be Charged Regular Storage Rates.

PRICE LATER CONTRACTS - CORN & SOYBEANS

18 Cents Per Bushel Service Charge for First 60 Days * 4.5 Cents Per Bushel/Month Thereafter

Price Later Contracts Will Expire September 30, 2009

REMEMBER - GRAIN PLACED ON PRICE LATER IS NOT ELIGIBLE FOR SEALING

MINIMUM PRICE CONTRACTS * EXTENDED PRICE CONTRACTS * FLOORED AVERAGE CONTRACTS

Are Available Upon Request To Interested Customers

Please Contact Us For Complete Details On These Marketing Alternatives

DEFERRED PAYMENT CONTRACTS

Are Available For Those Who Wish To Use Them For Grain Sold Prior To December 31, 2008

With Payment To Be Deferred Until After January 5, 2009

ALL POLICIES ARE SUBJECT TO CHANGE WITHOUT NOTICE

(Any Changes Made Will Be Posted In The Offices)

Monroe
259-2232
1-800-642-6498

Otley
627-5311
1-800-344-5628

Pella
628-4167
1-800-223-5512

Tracy
949-6411

www.tworivers.coop



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

SWINE: This month I want to focus on a product that is being used with increasing frequency in swine diets these days in response to the soaring cost of Di-Cal.

The product is Phytase, an additive that makes the animal utilize the phosphorous contained in their feed ration much more efficiently, thus reducing the amount of Di-Cal that is needed.

With Di-Cal already up in price by over \$600.00 per ton, and expected to continue rising, it's clear why Phytase has become such a popular choice, and why the results producers are receiving with it are absolutely fantastic.

As with any feed additive, however, it is critical that we use Phytase properly and in the correct volumes in the feed ration to get the maximum benefits and advantages that it offers.

Just recently, I came across a situation which illustrates the importance of the statement I have just made. Here's what took place:

One of the pork producer customers I am working with had recently been approached by a competitor with a low-cost pre-mix, the price of which was very attractive and obviously was being used as a strong incentive.

Upon investigating the nutrient profile of this pre-mix, however, we discovered that it was to be fed with Phytase and that it contained no Di-Cal, which partially explains the lower cost.

However, it was being sold as a "Stand Alone" product, and when we looked further into the situation we also found that it was not only to be fed with high DDGS levels, but that it also needed to have Di-Cal added to the diet.

If the customer would have fed this pre-mix in the manner that it was suggested by the salesman, his animals

would have not only suffered from severe phosphorus deficiency, they would have also experienced some severe health issues down the road.

The point is: Phytase based diets need to be fine-tuned to the feed ingredients that are being fed in the ration.

For example, on one hand if you add Phytase and don't compensate by also lowering the phosphorus level in the diet, you'll end up with an even higher level of phosphorus level in the manure.

On the other hand, if you feed a low level of phosphorus in a ration that does not have any Phytase, you'll have an animal with phosphorus deficiency.

The bottom line: *Know your feed, know your feed supplier, and be confident in both.*

BEEF: I am pleased to announce that your Two Rivers Feed Team is ready to offer **Quality Liquid Feeds (QLF)** products to our area beef producers and operations, and we are currently set up to handle large bale injection of these products.

This process will greatly improve the feed value as well as the palatability of your forages at a lower cost and with greater convenience to you than feeding tubs.

Bale injection is also a better way to manage intake of the supplement, as protein intake is directly tied to the volume of forage the animal consumes.

This program is an excellent choice for all types of hay, including corn stalk bales. It's convenient, it minimizes forage waste, allows you to get more use/value from lower quality forages, and the overall economics make this a program you definitely need to look into closely.

Also, if you are currently using lick tanks or have an interest in them, the Two Rivers Feed Team and QLF can now help you out with these through a great arrangement we have with QLF to be able to supply you with both liquid products and the equipment in which to feed them.

Stop in to take a look at the round bale that has been treated with QLF at the Pella location and you'll quickly see for yourself the value in this process.



**Feed
For
Thought**
By
Jason Smit

Another harvest season will soon be here, and since it's likely to get a later start than normal this fall, that means the demands on your time will be even heavier as you work long hours to get the crops in before foul weather arrives.

As always, the Two Rivers Feed Team wants to help our livestock producers through these challenging weeks ahead by taking some of the pressure off your busy schedule.

By contacting us in advance to give us the details and specifics of your feed needs and feeding routine, we'll keep your livestock well supplied with high quality rations manufactured to your specifications and delivered right to your farms and feeders so you can concentrate on harvesting the crop rather than feed manufacturing late or early in the morning.

Don't let performance, gains and efficiencies suffer because you're tied up with harvest.

Let us manage your feed and you can have more time to manage your farm more effectively.

SEED & STUFF

Continued From Page 2

appropriate management solutions for each.

The best way to distinguish between the two is to split the stems and inspect them for the presence of internal stem browning, since only BSR causes the pith to turn brown, whereas with SDS the pith of infected plants remains white.

Also, under moist soil conditions, there will be blue masses of spores produced by the SDS fungus that can be seen on root surfaces.

And finally, remember that only SDS causes root rot.

TUB BOOKING SPECIALS

*Are On The Way
Watch For Details
In Mid-September*

The Feed Team Says **THANK YOU To Our Feed Customers**

Last month we asked for the cooperation of our feed customers as we suspended feed manufacturing operations at the Pella feed mill to replace the distributor during the August 22-25 period.

*Your cooperation and response was great and very much appreciated, enabling us to complete the work without delay or interruption in a smooth, timely and orderly manner. **Thanks** to one and all for planning and ordering there needs in advance to help us in this upgrade to a new feed ingredient distributor.*



As I See It
By Tracy Gathman
General Manager

I want to express my thanks and appreciation to all of the members who were able to find time in their busy summer schedules to attend the special meeting on July 30th at which Dr. Ron Hanson made an absolutely fantastic presentation entitled **Family Farm Transition & Succession Planning**.

The August issue of the newsletter was being put together and went to press prior to that date, so at the time I had no idea of how many Two Rivers members would be attending, nor any notion about their response to the information that was to be presented.

Now that the meeting has been held, all I can say is that **I Was Totally Overwhelmed and Pleasantly Surprised** by both the very large turnout of interested members and by their tremendous and positive response.

I was hoping that we might have between 30 and 40 people attend. We had over 90!

I felt and hoped there would be some positive feedback.

I have had one customer after another, after another, come up to me to express their feelings and comments about how thoroughly they enjoyed Dr. Hanson's presentation, how much they felt they learned from it, and how much they felt the message that was presented will benefit them, their family and their farming operation as they look ahead to plan more effectively for the future.

Your Board of Directors, who unanimously and immediately stepped forward to express their belief that this information and the message Dr. Hanson delivered was valuable and vital to the membership of Two Rivers are to be commended for their leadership role in making this meeting possible, as are the co-sponsoring representatives from area law firms who concurred with that belief and who stepped to the forefront with their support to help make it possible.

I firmly believe everyone who attended came away from this meeting with a clearer understanding of the crucial issues involved in planning for how the family farming operation can be kept in the family, with a better grasp of the

risks and potential pitfalls involved, and with a heightened sense of the value and importance of planning for a smooth and orderly transition from one generation to the next.

Dr. Ron Hanson is a remarkably gifted public speaker with a complete and thorough understanding of the subject matter he is discussing, plus an outstanding gift to be able to deliver his message on what are so often complex issues in such a clear, concise, informative and, at the same time, entertaining manner.

In thanking and recognizing him for his fine presentation, I also want to thank Dr. Hanson for so graciously agreeing to allow us to video tape the presentation he made that morning so that we could make it available to interested members of Two Rivers who were unfortunately unable to attend.

At this time we are in the process of putting together DVD copies that will be available for customers to check out from us to see and hear the information just as it was presented on July 30th, then to return it to us so other customers have the opportunity to do the same.

These will be accompanied by a written transcript of the presentation, which the customer will be able to keep for reference and as a permanent informational resource.

Please feel free to check with us in mid-September for availability of these materials, which should be ready for check out by that time.

HARVEST: As you can see, this month's newsletter contains a copy of the **2008 Harvest Policies** that will be used to handle the corn and soybeans you deliver to Two Rivers.

I urge all members to please take time to read through this information completely, since there have been some changes and modifications made from the policies, rates and procedures that

have been used in previous years.

As always, if there are any questions or if there are any items in the policies that are not completely clear to you, please do not hesitate contacting me so I can discuss those items with you and clarify any issues for you.

I am sure we're all anxious to have harvest underway so we can at last get a handle on what kind of crop has been produced this year.

I feel there are perhaps as many or more questions and uncertainties about the size of the crop this year as there have ever been going into a season, since there are so many variables that have come into the picture as a result of a late start, wet weather, re-planting, along with the usual challenges and stresses all crops traditionally encounter.

This uncertainty is clearly reflected in the yo-yo pattern of movement the corn and soybean markets have been experiencing lately, and since most of us have long been accustomed to price swings of little more than a nickel to a dime per week as being considered large, these massive 50 to 80 cent or more daily swings now taking place are enough to take one's breath away and send shivers down the spine.

With price shifts of this magnitude happening at such an accelerated pace, and with the cost of all production inputs (seed, crop nutrients, crop protection, fuel, land, interest, etc) all continuing to climb steadily higher to record levels and beyond, the risks you face have been magnified many times over.

I therefore strongly recommend that you take time to establish firm cost of production figures on both corn and soybeans **For Your Own Farming Operation** so you know exactly what the market needs to give you to cover those costs, and so you can market your crops successfully to meet them.



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