



Two Rivers

Cooperative

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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 2013



Agronomy Update By Jay Van Woerkom

We have started out the new year of 2013 with a very good pre-pay season at Two Rivers, and there are still a few days remaining as I write this article for you to get in on the best savings and discounts for early orders.

Pricing will be moving higher as we arrive at mid-January, so if you still have 2013 fertilizer or crop protection needs to be covered for the upcoming spring season, be sure you get in touch with your **Two Rivers Agronomist** as soon as possible to place your orders so you can lock in the maximum savings on those needs.

Crop nutrient pricing has been fairly stable thus far, and thankfully we have not seen the kind of runaway price moves or the tremendous uncertainty in the marketplace that we witnessed several years back.

The wild card we may come up against in all this, however, is the movement of products on the river system, which continues to be a source of concern due to low water levels on the Mississippi making movement upstream from the Gulf virtually impossible.

I also want to update the seed supply situation with the latest information I have at hand.

We have had a great early order season for seed this year as we and our customers anticipate the potential for tight supplies of the most popular corn hybrids and soybean varieties, along with similar concerns for the

Get The Best Start To A Successful 2013 Crop CORN & SOYBEAN PRODUCTION MEETING

WEDNESDAY, JANUARY 23RD - AT THE PELLA OFFICE

Breakfast Served At 8:00 * Meeting To Follow At 8:30

Topics Of Discussion Will Include

Seed Hybrid And Variety Selection & Placement

The Use Of R7 Tools To Identify Field Variables

To Enable Us To Create Your Management Prescription

Seed Treatments To Protect Your Seed Investments

The Latest In Weed-Insect-Disease Controls

Plant Nutrition: Finding The Hidden Hunger Of your Crops

Yield Promoting Strategies: Foliar, Micro & Macro Nutrients

“HOW TO PRODUCE 100 BU./A. SOYBEANS”

availability of some of the most widely planted seed traits, seed sizes and maturity dates.

Obviously, the same extremes of weather this past growing season that had an impact on your crops took a toll on seed production fields across much of the country, and as the seed companies are processing this year's production there are obviously more concerns related to seed sizes, germination test levels and overall seed quality issues.

As a result, it would appear that once again there will be a lot riding on this year's winter production seed crop, and as of this early date it is still too soon to get a decent handle on where the major seed companies are with this year's winter production.

JOIN Us: Elsewhere on this page I have included information about our **Post Harvest Crop Production Review & 2013 Outlook Meeting** that will be held on the morning of January 23rd, and I certainly hope you will be planning your schedule accordingly so you can join us for some very valuable information that will benefit your 2013

plans.

Obviously, we'll be looking back at the results and data we have accumulated from the **Answer Plot** as well as from your own fields, and with all the challenges last year's crop faced, and some of those challenges being somewhat unique, this review should be very informative.

We'll also be taking a more detailed look at the latest in crop protection strategies to manage/control the weed, insect and disease challenges your crop faces.

Additionally we will be taking a look at some of the ways you can enhance plant nutrition with both conventional nutrients (N-P-K) as well as other yield promoting nutrients (foliar, micro and macro nutrients plus growth regulators).

RE-CERTIFY: We have an announcement elsewhere for a **Private Pesticide Applicator Continuing Instruction Course (C.I.C)** session that will be held in early February at the Pella location to give you an opportunity to re-certify so you can purchase/apply EPA Restricted Use Pesticides in 2013.

Fuel Facts

By
Scott
Bensink



Over the past 3 weeks we've had the full spectrum of winter weather, with a number of single digit days during mid December on into Christmas, a lot of ice, snow and drifting from the snow storm on the 19th and 20th, and just recently a nice thaw and temperatures in the mid to upper 40s.

The drivers have been running the routes and usage is up compared to last December and early January, which was one of the mildest such periods in history.

I suggest everyone keep a close watch on their gauges, especially those who order LP as needed, since while this recent mild spell has been great, most forecasts are predicting another round of cold is on the way.

With that in mind, I do want to remind everyone just how important it is to keep an open access to your LP tanks so the drivers hauling the heavy hoses from the truck to the tank (and back) to supply your needs aren't in danger of being injured in a fall.

Avoid blocking the area around and to/from the tank when pushing snow from the drive, try to keep a good path/walk way to the tank, and use ice melt, potash or sand to aid traction.

MARKET TALK: Crude prices seem to be fairly stable in the low \$90.00 per barrel range, diesel fuel prices have remained steady, while gasoline prices have continued to slide lower, giving us a 5 cent dip in November, dropping another 20 cents for December, and off another 5 cents thus far in January.

Nationwide, the use of gasoline has dropped significantly, largely due to the normal decrease in travel as winter arrives, but with improved fuel economy/efficiency in more of the vehicles on the road also a factor.

Diesel is widely used for commercial transportation and construction, so usage doesn't have the same seasonal ebbs and flows.

Speaking of diesel fuel, we have spring contracting available, so be sure you're checking the contracting price periodically so you can starting covering your needs.

SOY DIESEL: In closing this month I

wanted to let our customers know that we are now able to secure a reliable supply of soy diesel from our supplier so we are once again investigating the interest in having Two Rivers include this product in our inventory.

The soy diesel supply meets all Cenex specifications, and if enough customers who are interested in using soy diesel from Two Rivers to justify adding the additional storage necessary to offer it, we will.

Please let us know so we can determine the demand for this product.



Livestock Production

By
Nick
Steinbach

For as long as livestock producers have been in business, every producer has been continually striving to find ways to improve the productivity level of his operation.

This month I would like to suggest one way you might want to try is to reduce the days between estrus, and a key in achieving that objective of fewer days to estrus would be to focus on the care being given to sows during the lactation cycle.

The diet needs to be formulated so you're feeding the correct requirement of lysine per head per day, which relates to managing their nutritional requirements during lactation.

There are a couple of ways to promote and maintain a good condition for female animals, and to state the obvious, one is to have a well balanced diet in front of them during lactation.

Another way is to encourage consumption in the farrowing room, and one of the easiest methods of doing

that is simply to walk the farrowing room more frequently each day.

That may sound like a simple solution, but believe it or not some of the largest integrators are actually having an employee walk the farrowing room in the middle of the night.

The point of these additional walks through the farrowing room is to encourage the sows to get up when the farrowing room is entered and exited, since once they have been roused they are more inclined to eat.

The benefit of them eating more is twofold. First, a properly conditioned female will take care of her litter with fewer problems, and secondly she will be in better condition at weaning time.

The better condition the sow is in at weaning time will help reduce the days to estrus, thus allowing you to move her on to her next litter sooner, improving productivity in the process.



News From The Bunk

By
Pat Donnelly

Beef Nutrition Specialist

We've probably had as much winter weather already this year as we had all of last year, or more, since the winter of 2011/12 was one of the mildest in history.

I am therefore sure when the storm of December 19th and 20th roared in that it reopened a lot of eyes about the many challenges all cattlemen face as winter settles in, and among the top priorities would be making sure you ...

... Keep shelters well bedded with hay/straw.

FROM THE BUNK
Continued On Page 3

Did Your Pesticide Applicator License Expire In 2012?

Do You Need To Re-Certify So You Can

Purchase/Apply Restricted Use Protection Products?

IF YOU ANSWERED YES TO EITHER OF THESE QUESTIONS

BE SURE YOU RE-CERTIFY FOR 2013

C.I.C. RECERTIFICATION SESSION

February 5th At The Pella Location

Call The Pella Office Or County Extension For Additional Details

CONTACT YOUR LOCAL COUNTY EXTENSION SERVICE OFFICE

For Dates/Times/Locations Of Upcoming

Private Pesticide Applicator License

Re-Certification Testing & C.I.C. In Your Area



**Marketing
Analysis
By
Justin
Huebner**

SPECIAL MEETING GUEST: We've added a special featured speaker for the January 23rd meeting that is being held at Two Rivers in Pella to discuss grain marketing and risk management, plus to update you on 2013 crop insurance issues.

He is **John Zanker from Selective Hedge**, and he will follow the presentation by Eric Sorensen on the afternoon program.

We're very pleased John could join us for this meeting, as Two Rivers begins a new partnership with Selective Hedge that we feel will take the marketing programs and services we are offering to the next level.

John will be presenting information on what the Selective Hedge platform can do for our marketing customers, answering questions, and I'm sure you will find what he will have to say very informative and interesting.

We feel this meeting will provide all of you who attend with an excellent way to get the best early start on the 2013 marketing year that lies ahead of us, so if you have not included it in your plans, I would very much like to encourage you to do so.

MARKET ACTIVITIES: Since the middle of December the **Market Bulls** have been taking a pounding in the corn market and, to a lesser extent, in the soybean market too.

Our current corn export pace can only be described as dreadful, since with the stronger price for our corn relative to corn supplies from other countries, we have simply not been a competitive force in the marketplace.

The price retreat corn has experienced over the past few weeks has lowered corn values sufficiently that it may start making U.S. corn more attractive than it has been, but thus far very few buyers seem to be knocking on our doors to place orders.

Contrary to corn, soybean exports were running along at a very strong pace for quite some time.

Recently, however, the worldwide market seems to be easing back on purchases, since with the South American soybean crop rapidly approaching maturity everyone is

aware there's likely an abundant supply of South American soybeans soon to become available at much lower prices than U.S. soybeans.

Once the buying pattern shifts to beans from South America, most anticipate price support for our bean supplies will evaporate very quickly, which makes traders a bit nervous as we move ahead.

As we begin the new year the most recent projections are for South American soybean production to be up as much as 1.1 billion bushels from a year ago, so it's no mystery why our soybean market is starting to feel increasing downward pressure.

CROP INSURANCE: With everyone steadily locking in an increasing portion of their 2013 crop inputs at this time, this is definitely the time for some serious attention to be given to 2013 crop insurance.

I've long maintained that: **The best foundation for any successful marketing plan begins with selecting the coverage level that's the best fit to your specific needs in terms of covering the vast majority of your crop production expenses.**

We firmly believe Two Rivers has created **The Total Package** to best serve our members and patrons, providing you with everything from insurance coverage and risk protection to GPS integration, and ultimately grain marketing, all of which makes our **Total Package** extremely competitive.

We welcome the opportunity to visit with you about **The Total Package** of programs and services we offer, to answering your questions, and to showing you how we can serve and assist you and your farming operation.

For the past several weeks I have been meeting individually with customers to calculate profit levels for the 2013 crop, and as always, you can not know where your profit lies until you first determine **Your Costs**, and certainly you will not be able to determine where you stand financially until these cost and profit levels are identified.

FROM THE BUNK

Continued From Page 2

... Provide good windbreaks for protection.

... Be absolutely sure they have ample water and feed available.

In addition, the cow/calf herd probably will benefit by increasing consumption levels a little to help them with body heat maintenance through the winter.

While it's just January, we already have some calves hitting the ground, and as the weeks pass more early season calves will be doing the same.

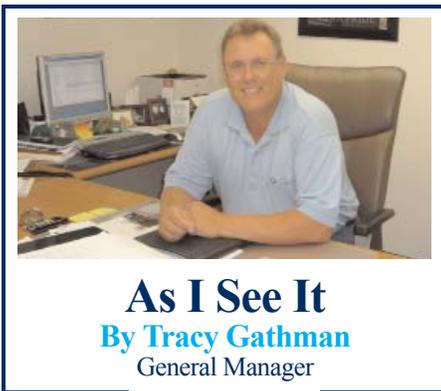
Keep these vulnerable calves out of the elements the best way you can when the weather turns nasty, and provide them with a dry place to bed down to reduce prevent calf losses.

Be sure the cows are getting the right nutrition they need to aid in milk production.

If you're not calving in your operation for a while yet, this gives you more time to put a little more weight on your cows to help them through the stresses of calving, which will also help them be ready for re-breeding.

Keep plenty of protein and mineral in front of these cows to meet their requirements, to maintain sound condition scores, and to help their digestive systems in forage breakdown.

**Join Us For A Special Information Meeting On
GRAIN MARKETING * RISK MANAGEMENT
CROP INSURANCE UPDATE & REVIEW
WEDNESDAY, JANUARY 23RD - AT THE PELLA OFFICE
Lunch At 11:30 With The Meeting To Follow
Featured Speaker
JOHN ZANKER FROM SELECTIVE HEDGE
John Will Explain How Our New Marketing Partner Selective Hedge
Will Take The Marketing Programs & Services We Offer To The Next Level
Additional Topics Of Discussion Will Include
MARKET RESPONSE/REACTION TO JANUARY 11TH USDA REPORTS
CROP INSURANCE UPDATE FOR 2013
CROP RISK MANAGEMENT STRATEGIES FOR PROFITABLE RESULTS
INFORMATION ON TWO RIVERS GRAIN BROKERAGE SERVICES
Please Advise Of Your Attendance Plans By January 21st
So We Can Make Proper Arrangements For Meals & Materials**



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ADDRESS SERVICE REQUESTED

I want to take this opportunity to thank all of the members who were able to attend the December 13th Annual Meeting of their Two Rivers Cooperative.

It is, as I have mentioned on many occasions, a very special event that your Board of Directors, the Management Staff and Employee Team and I personally look forward to each year, and it is therefore very much appreciated by all of us to have so many of the members turn out to demonstrate their interest and to participate in the business they own.

The 2011/12 fiscal year of operations that concluded August 31, 2012, was another very positive year of growth for your cooperative.

Each of you have played a key role in making this year a good one through the support you provide and the business which you do at Two Rivers - **Thank You.**

As always, there are a great many figures contained within the pages of the financial statements that are distributed to the members at the Annual Meeting.

If you were unable to attend to pick up one of the booklets containing the auditors' full financial report that were distributed that evening, please feel free to stop into any of our locations to pick one up so you can review this information on your cooperative's performance.

I would like to briefly touch on some of the obvious highlights of this past fiscal year which illustrate the positive growth and performance Two Rivers had in this most recent year of business, one which sustained the steady momentum of growth and performance you have made possible through your continued and on-going support.

Total Sales for this past year reached **\$90,235,057**, representing an increase of well over \$18 million from the previous year's total sales figure.

One of the more significant figures for any business such as this is the **Operating or Local Savings** total, since this is the one that is a direct reflection of the volumes of business which you, the customers, provide over the course of the year.

This past year the **Operating Savings** at Two Rivers was **\$264,654**, which is up nearly \$90,000 from the operating savings of 2010/11.

The other two figures which highlighted this past year of business were the **Pre-Tax Savings**, which was **\$937,584** and which represented an increase in excess of \$100,000, and the **Net Savings** (or bottom line) which this past year was **\$787,499**, an increase of over \$230,000 from the previous year.

For this past year your Board of Directors authorized a non-qualified patronage dividend to the membership which added to your equities as the owners of Two Rivers.

This method of patronage distribution was discussed at the Annual Meeting to explain how it functions, so for those of you who were unable to attend and/or for those who were there who may have questions about this year's non-qualified patronage, please feel free to call me or stop in so I can answer those questions.

The issue I am sure is likely to be of greatest significance on this matter is that there are **No Tax Implications** involved for the non-qualified patronage dividend you have received for the 2011/12 year until such time as those dollars are actually distributed to you.

This non-qualified patronage dividend was authorized to each member for the business done during this fiscal year based on the following rates:

Grain: 1.52 Cents/Bu.
Mdse. & Services: 1.62%
Petroleum: 2.97 Cents/Gal.

In other business that was completed at this year's Annual Meeting, the Two Rivers Board of Directors underwent somewhat of a facelift as two of our longer serving members retired from their duties as Directors.

Dennis Uitermarkt and **Alvin Keuning**, both of whom have served as Directors as well as Board Officers, have served many years on your Board. This past year Alvin served as the Board's Vice-President, and Dennis was Board President.

Both of these men have dedicated a lot of time in providing tremendous leadership and foresight as Directors, and they have both played key roles in the positive growth and performance of your cooperative.

I hope that as you have an opportunity to visit with Dennis and/or Alvin in the months to come you will join with me in thanking them for all they have done to serve you and Two Rivers during their distinguished years of service as your Directors.

In this year's Board of Director election the membership re-elected Director **Dan Wichhart** to a three year term on the Board. Dan is joined by newly elected Directors **Bryce Kelderman** and **Greg Van Walbeek** who were also elected to three year terms.

At their reorganizational meeting your Board of Directors elected **Jerry Parker** as President, **Dan Wichhart** as Vice-President, **Stan Woody** as Secretary and **Jason Ver Ploeg** as Treasurer.

These officers will serve until the completion of next year's Annual Meeting.