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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 2013



Agronomy Update By Jay Van Woerkom

I am going to keep my article this month brief so the space can be used by your **Two Rivers Agronomist Joel Spring** to discuss information on the **R-7 Strategy** of crop production.

I am sure most of you recall the introduction some 18 months ago to the R-7 concept that has been created to help farmers fine tune their input choices, fertility and crop protection programs, and the agronomic services they use to improve performance, yields, productivity and profitability.

We believe the time has come for all of you to take an even closer look at the **R-7 Strategies**, and I therefore encourage you to check out Joel's comments and to feel free to ask him or any of the Two Rivers Agronomist for more information and answers to any questions you have about what R-7 can mean for you, your farm and future.

I will also call your attention to the ad elsewhere on this page that serves as a timely reminder about some of the often overlooked details that need your attention in the weeks ahead to help assure smoother running as spring work gets underway.

Taking time now to be sure your needs are covered for all the items mentioned, and for any other “incidentals” that aren't, will save everyone valuable time this spring, so as you go over your spring plans and needs, be sure you include these as well.

COVER ALL BASES TO SMOOTH SPRING WORK

By Your Two Rivers Agronomy Team

Every spring season is hectic, so the best time to cover all the bases for your farming operation's needs is before the work gets underway in the fields.

All too often something gets overlooked in the planning and ordering process, and having to order and in some cases wait for delivery in-season takes time.

For example, small seed supplies, oats, seed for waterways and other incidental seed needs that we may not always have on hand or which are available in limited supplies should be ordered now.

Also, arrange for seed delivery as soon as you have the space cleared to stack bags, and be sure to line up soybean seed treating and seed inoculating services.

Also, make sure your Two Rivers Agronomists have FSA aerial maps for all the fields where custom services will be provided, that you've updated any changes to fields or field characteristics, and that all information is complete and up to date.

It's also a good time to line up/confirm all custom services for spring NH-3 applications, P & K spreading and pre-emerge crop protection product spraying so we're all on the same page to start the season.



Focus On Success By Joel Spring

The **R-7 Strategy** has been established to provide you with ...

... **More Information.**

... **More Insight.**

... **More In-Depth Management.**

These advances, in turn, enable you to match the advanced genetics now available in today's corn hybrids to the correct soil types that will enable your crop to reach the full genetic potential for performance and yields that have been bred into those seeds.

Even the very best hybrid created can - and will - come up short if it is planted in the wrong environment, and with the cost of seed these days, you simply can not risk planting your crops where they will not have the

opportunity to perform and yield to their fullest potential.

Additionally, as more and more farmers are making significant investments in the latest technological and equipment advances which are being included on today's planters, the **R-7 Strategy** allows them to make precise field-by-field decisions for variable rate planting plans as well as variable rate crop nutrient prescriptions.

As you begin to firm up and finalize your 2013 farm and field plans, please take some time to visit with your Two Rivers Agronomist about the **R-7 Strategy** and how its tools can help take your crop to the next level of performance, yields and profitability.

At this time I would also like to mention another very important issue that all of your Two Rivers Agronomists want you to give added consideration this coming season.

I am talking about inoculating your soybean seed prior to planting your crop, since with the drought-like conditions we experienced in 2012, many

FOCUS ON SUCCESS

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Fuel Facts

By
Scott
Bensink



We've seen a strongly bearish fuel/energy market the past few weeks as the increasing value of the dollar and decline in the strength of energy related investments has created some volatility.

While this was happening, the remainder of the Dow has been virtually idle, thus having virtually no role in those value moves.

Most fuel/energy market traders are now wondering whether or not we are seeing the typical spring price pullback occurring earlier than normal.

Historically, energy values increase from January to the late March to early May period, hit the market's peak at some point during that window, then there's the late spring price pullback on into the summer months.

While the figures have almost always supported this trend in years past, our price spike this year has occurred much sooner and at a more accelerated pace.

This causes traders to wonder if the entire process has essentially been altered so that it occurs earlier and at a faster pace, and obviously they are asking themselves if we will now be seeing the typical spring pullback happening sooner, or if this is instead just a short term pullback before we continue the climb.

Time will provide the answer, of course, but as of now the one thing I know is when we keep posting new lows virtually every day, as we have been doing for much of the past couple of weeks, we're in a very bearish market trend that can be tough to stop.

At the present time Iran's crude oil production is at a 30 year low, while housing values reported their biggest annual gains in 6 years in 2012.

I also feel that when we're in a bearish market like this it can create some good opportunities for you to contract, so you need to keep a close watch on our posted Spring Diesel Contract price to layer in your needs.

BUDGET BILLING: Just another quick reminder that the next Budget Billing cycle will begin May 1st, so if

you used this program for the 2012/13 season you should receive information in the mail to sign up again for the new 2013/14 program.

If you did not use this program for 2012/13, you need to contact Robin in Pella to request this information.

LP CONTRACTS: The LP Team will be working on the delivery of the LP gallons that customers have contracted with us before the end of the contracting period on April 30th.

However, I ask that everyone **Please Keep In Mind** there is a **200 Gallon Minimum Delivery** policy at Two Rivers, and that the fee for delivery of less than 200 gallons can and typically does exceed the advance deposit paid when LP was contracted.



Livestock Production

By
Nick
Steinbach

To start out this article I want to say **Thank You** to all of you who have been keeping an **Eye On The Sky** and at least **One Ear To The Radio** so you could help your Feed Team get your feed orders delivered as we've faced some significant weather issues this past month.

One week the forecasters are calling for double digit snowfall amounts, and only a few inches fall.

Then a week later we all of a sudden get absolutely dumped on by nearly a foot of the white stuff with little to no warning.

Go Figure!

It's uncertainty like that which makes it even more difficult to plan/prepare for everyone, so it has definitely been a huge help to us to have so many of our feed customers anticipating the weather and planning/ordering their feeds in advance so those orders can be delivered prior to the most severe weather arriving.

Anything can happen where the weather is concerned, of course, and we're certainly not out of the winter

Two Rivers Fuel/Energy Team

MONTHLY SAFETY TIP

**"If You Smell LP Gas Odor
Leave The Premises
At Once And Call Us
From A Safe Location"**

woods yet.

But when we're able to avoid or at least minimize our delivery challenges as nasty weather moves in, that is always a good thing.

The bright spot in all this weather talk is that spring is close at hand, and as we make the transition to spring and the focus shifts to getting the crop planted, things always get very busy here at Two Rivers as all employees pitch in to help serve agronomy needs.

With that in mind, I hope all of you will continue to do an equally outstanding job of planning and ordering feed delivery in advance to help Two Rivers provide you with the best service.

Your cooperation in this allows us to take care of each day's feed orders as soon as possible and then shift our people to different departments of the co-op to help serve your agronomy needs during the busy spring season.

Of course spring's arrival coincides with calving season, and quite a few cattlemen already have a significant number of calves on the ground, with more to come in the weeks ahead.

As I am sure all of you will agree, calving time always seems to happen at the most inopportune times.

Either the weather is nasty, it's late at night, the cow's at the farthest end of the pasture, didn't make it to the calving barn in time, and sometimes it's a combination of all these and more.

As the old saying goes: **"An ounce of prevention is worth a pound of cure"**, so it's always a good idea to have all the things you will or might need ready and right at hand in advance.

And that includes things like milk replacer and Colostrx, since both of those products help get calves started in the right direction.

Of course we also need to keep **Mother Cow's** needs in mind as spring arrives, and once again we'll have our **Spring Mineral Special** that Pat discusses elsewhere.

NEED A NEW FURNACE?

**Rebates Up To \$250.00
Available For A Limited Time
For Installing An
Energy Star Model**

Note: *Once the limited funds allocated for this program have been exhausted, this offer will end, so contact us for details now if you intend to purchase/install a new furnace for your home.*



**Marketing
Analysis**
By
**Justin
Huebner**

While I don't particularly relish the task of painting such a bearish scenario for new crop corn at such an early stage of the year, unfortunately the reality of our current market gives me little alternative than to do so.

Among the factors involved are that we have old crop corn and soybean values in such a state of limbo at this time, plus we are seeing South American crop sizes being reduced as their harvests are being delayed by rain.

The delays with their soybean harvest keeps export demand for our soybeans strong, but quite frankly we need South America to take over supplying worldwide demand sooner rather than later, as we're rapidly running low on our soybean inventory.

China's huge soybean appetite is the obvious target to focus on. We need to try to keep some kind of lid on their buying, and there are only two ways we can achieve that objective:

1. **Higher Soybean Prices**
2. **Large Market Inverses**

Both appear to be in play at the present time, and both seem to be working, however there are consequences.

Higher old crop prices makes new crop soybean prices look more attractive, but that comes at the expense of old crop values, since China can/will defer more of their purchases to new crop beans.

Another factor that looms over the current market environment is the tremendous amount of congestion at South American ports, where there are now 50 day waiting times to get a ship into port to load, costing each ship up to \$15,000 each day they are waiting just to get into port.

As for new crop corn, having come off of two years in a row with lower corn yields, traders are now trying to determine if it's possible we could have a third consecutive year of sub trend line yields.

It's only happened twice in the past, and interestingly, both of those times we had three years in a row of yields below trend line, we actually had a

fourth year that followed.

With prices now approaching the basic break-even range in both new crop corn and soybeans, I have to ask you: ***"What is your plan for marketing your new crop?"***

Let me assure you, if your response is something along the lines of: ***"I don't know or I don't have one"***, then the next logical thing I would follow up with is: ***"It's high time you established your plan!"***

Just remember, two years ago the USDA's final yield was 147 bushels per acre.

Assuming we plant around 97 million acres to corn and produce a crop that matches that yield again in 2013, our carryout on corn would increase to over 2 billion bushels, more than double what the trade feels we need.

And if you need more to think about, then remember that last year in March the USDA was estimating the national yield average for corn would be 164 bushels per acre, and if we would come anywhere close to that figure, our carryout would put absolutely huge pressure on corn prices going forward.

New crop corn demand is already under attack with only the first two months of 2013 behind us, since the livestock herd figures are significantly lower, thus reducing demand from the feed sector, plus ethanol production seems to have reached its usage plateau, and with margins increasingly slim and difficult to come by, we're likely to see even more plant cutbacks and closings.

In view of the things I have just mentioned: ***What's Your Plan?***

I sincerely encourage you to get in touch with me so we can take a look at ways to maximize your final price through the hedging services we offer, and to do so sooner rather than later, since as we all know, in a few weeks you'll be focused and working full time on getting your crop planted.

If you put off establishing your new crop marketing plan until after the crop is planted, it's very likely the mar-

ketplace will have already made most of your decisions for you.

I am sure you would much rather be the one in control of making your decisions, and we can help you make the best ones for you and your farm.



**News
From The
Bunk**
By
Pat Donnelly
Beef Nutrition Specialist

There's an old saying that goes: ***Better Late Than Never.***

While it may be true for a lot of things, this late winter weather certainly isn't one of them as far as I'm concerned.

And I'm sure all of our cattlemen agree, since snow, cold, mud and all the challenges Mother Nature has been tossing our way couldn't come at a worse time than when we have so many calves hitting the ground.

It's never easy to spend extra time out in bad weather, however any extra time you put in to assure the most favorable conditions to get a live calf and the best start will translate into more calves for the fall market, which looks to stay very strong.

If it looks like there are calving challenges or any significant threats to calf health at this critical time, don't hesitate calling out the vet.

I know vet costs for farm calls are an expense we all try to hold down, but again, the cost always makes sense if it turns out to make the difference for a successful calving.

Be sure you keep a very close watch on cow condition at this time too, since 3/4 of the fetal growth of the calf takes place in the final 2 months of gestation.

Ample mineral, protein and energy are a must for the cow to produce and raise a good calf right from the get-go.

SAVE ON YOUR CATTLE MINERALS FOR SPRING



**Buy 10 Bags Rangeland
Loose Mineral Products**

**GET 1
BAG FREE**

Offer Good

March 15th Through April 30th Only



As I See It
 By Tracy Gathman
 General Manager



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March is traditionally the time when the intensity level starts to gradually increase on the planning, ordering and decision making processes as our customers and the Two Rivers Employees position everything for the start of the planting season.

This year, with snow and ice to deal with, school closings and all the other challenges Mother Nature seems to have saved up from last year added to this one, the level of enthusiasm or sense of urgency for these preparations may be a bit more subdued, but with March now here I'm sure that's sure to change soon.

For one thing, that goofy groundhog somewhere in Pennsylvania saw his shadow on February 2nd, thus foretelling only 6 more weeks until spring arrives.

Easter arrives at the end of March, about as early as it can, and there is the historic farmer's tale that an early Easter means an early spring.

Daylight savings time starts on the 10th of March, and believe it or not the official first day of spring is March 20th according to my calendar.

So even though we have had more snow in the past 2 weeks than we had all of last winter, there's no doubt the days are getting longer, the sun's intensity is becoming stronger, and there are fewer cloudy days and more bright, sunny ones.

Before too much longer this snow will disappear, grass will start turning green, trees and shrubs will start budding out, there will be new calves, colts and other farm critters prancing about and suddenly it will be spring again.

Those are some of the absolute certainties of spring I am sure all of us are looking forward to reappearing on the scene as we move through March, and of course the planning and preparation for the new crop planting season will be another big part of the days ahead for all of our customers, and for the Two Rivers Team.

This year, however, we also

approach spring with some rather unique questions and uncertainties facing us as we make plans and decisions.

For as I am sure has been crystal clear to all in this business of agriculture, there is currently a vast difference of opinion and the full spectrum of predictions, ideas and forecasts, raging over whether or not the drought-like conditions we experienced in 2012 will continue for 2013, or if they will end and a more normal temperature and moisture cycle will return.

As always, only time will provide the answer as to which side in this debate is proven right, however in response to a lot of the speculation that seems to be flowing from so many directions, several things come to my mind I would like to share with you.

The first of these is this observation, which I have made before: **It takes many weeks and even months to Get Dry, however it takes just a few days to Get Wet.**

We seem to be hearing quite a bit from those in the **Continued Drought Camp**, and certainly they have their graphs, charts, El Nino/La Nina trends and other data, claims and information they have carefully selected to lend support to their position.

Three or four consecutive days of rain in April would go a long way to silence those voices, so as you plan and prepare for the 2013 crop to be planted I sincerely hope you have made a solid marketing plan that includes both potential contingencies, not just one.

You will have made virtually all of the financial commitments on 2013 crop inputs before the crop goes into the ground this spring. Are they covered/protected with sales/contract commitments on the new crop?

Please visit with Justin about your 2013 marketing plan, and be sure to leave selling offers with Two Rivers so we can capture your targeted prices while you are busy planting the crop this spring.

FOCUS ON SUCCESS
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of the nitrogen fixing bacteria in the soil did not survive.

As a result of this, replenishing that supply could pay significant dividends to your soybeans in 2013.

Two Rivers offers the liquid inoculate **Tag Team LCO** that offers these and other benefits:

- More Fixed Nitrogen**
- Improved Phosphate Utilization**
- Improved Vigor & Performance**

A number of our customers used **Tag Team LCO** last year with very good results, and that includes some who were using it in a normal/conventional crop rotation.

Two Rivers can inoculate your soybean seed with **Tag Team LCO** at the same time you are having your seed treated with pre-planting disease and insect treatments such as CruiserMaxx.

As you prepare for spring, please contact your Two Rivers Agronomist early to arrange for these services to provide maximum protection for your seed and seedlings in the soils during those critical early stages of development as they emerge.

ATTENTION
Spring Prices For
Crop Insurance
CORN: \$5.65
SOYBEANS: \$12.87