

TRIBUTARY

*A newsletter of Two Rivers Cooperative,
a farmer-owned cooperative committed to building
profitable relationships based on integrity and quality.*

MINIMIZING YOUR RISK

Tracy Gathman- General Manager

From disease, to drought, to a volatile marketplace, there is a long list of risks that you as farmers face. What are you doing to minimize your risk? When you are equipped with effective risk management tools, you can better protect your bottom line, and with a partner like your cooperative, you have access to a suite of those tools.

Our members have shown strong support for Two Rivers through the purchases of products and inputs and delivery of grain. You trust your cooperative as a resource for your business, and those resources extend further into options for you that can greatly minimize your risk.

In order to be effective in properly managing risk, it is important to be pro-active. Consider the recent propane prices. This unwelcoming spike in cost became a burden for many, but for those who took advantage of the contracting programs available with the Two Rivers propane and fuels division, they were able to protect themselves against a major change to their budget. This falls in line with many of the other options at Two Rivers which are created to help you effectively plan and budget.

As a partner, Two Rivers not only provides the inputs, but additional cost saving options

are also offered. The cooperative's purchasing power brings competitive prices, and extends that advantage with pre-pay and contracting options for growers. Further, managing risk from volatility in the market and weather is necessary in today's farming business. Two Rivers has established itself as a professional provider of both grain marketing and crop insurance programs to help you meet your farming goals.

The future of Two Rivers lies in the success of our farmer members. Your success comes from preparing your business for what may lie ahead. We appreciate your trust and support in Two Rivers Cooperative as a partner to help you best manage your business.

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SPRING PIECES

Matt Van Weelden- Agronomy Operations Manager



It may seem like spring will never come, but as soon as we begin to think that way, Mother Nature will snap her fingers and all those pieces that make a spring season will be in full force. At Two Rivers, we have been preparing for this spring season since last year's harvest came to an end late in the year. That late fall and an increasing number of Two Rivers serviced acres, means a very busy spring for everyone. In years like the one ahead, the coordination required to keep everything running smooth is similar to several puzzle pieces; when matched up, all works well together and no space is left empty or unfilled.

A greater number of acres than usual requiring spring NH3 application are expected to be a major piece to this puzzle and will mean a lot more pressure on the cooperative to provide custom application services. Likewise, we expect to see this rise in acres in the form of other custom application services as well. Two Rivers has continued to upgrade its application fleet the past few years to handle larger acres and increase application efficiency as well. Recently, two updated Hagie sprayers have replaced two older models, and we currently operate a fleet of five custom sprayers.

The Two Rivers agronomy team truly appreciates your continued

business. We have seen each area of our agronomy department experience growth in one way or another each year. This growth has also been received in seed sales. With 2014 sales projected to be 15% larger than the previous year, ensuring all seed is ready for delivery will also require additional planning.

We have the equipment and team in place to tackle these increases in acres and product, but there is one other piece that will help this all fit together. The better planning we can ask of you as customers, the more achievable this spring season will be. For customers still considering the scheduling of custom application acres, or for those unsure about your nutrient management plans for this growing season, speak with your agronomy salesman as soon as you are able. This will ensure your cooperative is able to meet all customer needs and allow for a picture perfect spring.

ALL IN THE DIET

CREEP FEED PROGRAM BENEFITS THE ENTIRE OPERATION



Dan Wichhart, Otley, Iowa- Two Rivers Cooperative member and local cattle producer, takes advantage of the creep feed program. Running a cow/calf operation takes a great deal of management, and utilizing a creep feeder is a relatively easy and affective way of supplementing a calf's diet.

Supplementing your beef calves before weaning with a creep feed program ensures ease of management, superior quality and a higher market value at the time of sale. Creep feed, if rationed correctly, provides a number of benefits to not only the calves, but to the cows and pasture as well. Given to nursing calves, creep feed allows producers to add another component to their diet ensuring heavier calves at the time of weaning. If being sold, producers are able to sell their stock at a higher weight. Cows tend to be in better condition and less stressed when creep feed is added to the calves' diet. Conception rates are almost always improved and the pasture remains in better condition longer.

Two Rivers Cooperative has the ability to fulfill your creep feed needs by offering a contract-based, creep feeding program. Contracting creep feed will take the volatility out of the market. The program allows producers to contract creep feed in their desired amounts, for any length of time. No minimum purchase is required, and Ryan Healy, Two Rivers Cooperative Beef Nutrition Specialist, is available to meet with you and pencil out the ideal program for your herd and operation.

SEED IS JUST THE START



Joel Spring, one of the agronomy salesmen at Two Rivers is helping customers make the best seed decisions based on their entire management program.

Gone are the days when seed selection was only based on prior yield performance. Since hybrid seed corn was first commercially produced in the 1930's, the growth of the seed industry has continued to allow us to make the most of every acre with increased biotechnology. However, this growth is still accelerating

at high speeds, leading to many new discoveries that effect recommendations and crop production practices. As a producer, you have a lot of decisions needing to be made, and it is almost impossible for you to stay up on everything that is changing in the seed industry. Those decisions have a large effect on your potential yields, input purchases and your bottom line.

These changes are why Two Rivers Cooperative has established a knowledgeable team of agronomy professionals. Even more, they have specific seed specialists in place who can be the experts in all the new research, information and products which effect the success of seed purchases. Two Rivers Agronomy Salesman, Joel Spring, explains, "When making a seed selection, we are here to

understand the soil and nutrient situations the seed is being placed in and understanding how it will respond." This means the Two Rivers team uses information on hybrid placement, trait decisions, nitrogen management and soil health to recommend the best seed selections. In fact, seed selection is really just the beginning of the process. Proper management of that seed is now necessary through all seasons, and that is where a complete agronomy team at Two Rivers can play a major role in your crop production. "We aren't just salesmen, we want to understand your soil, management practices and goals to help with the future of that seed and reach maximum yield potential," Joel further notes.

A number of factors and considerations are needing in today's seed selection decisions.

Combined, this is a lot to understand, but as a customer of Two Rivers you don't have to go it alone. You have access to information, products and services that can make the most of seed purchases throughout the year. As you prepare for seed deliveries this spring, make sure to talk with your agronomy representative and take full advantage of their knowledge.



NEW FACES IN OTLEY

Tyler Van Soelen

"My position responsibilities will be driving grain, fertilizer and chemical trucks out of the Otley location. I look forward to seeing the different areas of the Two Rivers trade area and meeting the farmers."



Dale Russell

"At Two Rivers in Otley, I will be working with outside maintenance and in the agronomy warehouses to prepare customer's orders. I'm looking forward to working outside and with the many customers of the cooperative."



PRODUCER MEETING TO BE HELD MARCH 25th

The feed department will be hosting a producer meeting on Tuesday, March 25th, with lunch at noon and meeting to follow. Industry representatives will be on hand to discuss market outlook. Spring topics such as fly mineral and creep feeding will also be covered.



BUILT ON A BLANK CANVAS

TWO RIVERS LOCATION MEETS CUSTOMER DEMANDS

Only a few years after the merger of Two Rivers Cooperative, the Board of Directors was faced with the beginning of a growth problem and finding its solution. The increase in grain customers to Two Rivers grew tremendously in the first ten years of the newly merged cooperative with the support of farmer members, employees and a committed Board of Directors. More grain began to travel to the Pella location, adding costs and miles to farmers delivering from the south. However, when faced with the concern of not meeting member needs, the cooperative did what the cooperative does best, it came up with a solution. The solution was one that was unfamiliar to them, required a lot of discovery and planning. It meant creating a solution on a blank canvas.

In 2011, almost 800,000 bushels of grain storage were constructed in Tracy, IA to better serve the growing grain customer base.



The Tracy Location has been in operation for three years and continues to meet expectations.

The need to provide grain storage for southern trade area farmers led the Board to the unincorporated town of Tracy. The Two Rivers office already located there did not have the ability for expansion or high truck traffic, so General Manager Tracy Gathman, and the Board began looking into the alternative option, building a location on a new piece of land.

All began to fall into place with the approval of a greenfield site on 15 acres of purchased land, located just southeast of Tracy. The site would become a grain hub with almost 800,000 bushels of grain storage and allow for delivery of grain easily to Eddyville and Des Moines. New employee positions were planned for the location, including the hiring of Location Manager, Craig Hetland, before construction even began to ensure the project ran smoothly.

As construction became finalized with Buresh Building Systems, Two Rivers began to realize that the plan for the new site, even with all the advantages it would bring, was not going to be met without some difficult strokes. The needs required of the project, such as working with the local power company to extend electricity to the site of the new location, were minimal compared to the opinions received from those in the local government and community.

For some in disagreement with the project, it was the concern over high traffic, location or county property taxes. Others voiced their concern for the competition the new location would bring to a private grain business also located in Tracy. However, the new Two Rivers Tracy Location was not built because of one or two people. The facility was built for the cooperative's farmer members, who play a significant part in the economy of the local community. The project was created to serve their needs and bring services that other businesses could not otherwise provide. Two Rivers strongly believed in delivering on those services through

the building of the new Tracy location.

Now three years later, the location, with its two 260,000 bushel corn storage bins and 250,000 bushel soybean grain bin, consistently follows through on the goal of providing top of the line services to farmers. No longer do customers worry about wasted time in line during harvest; the speed of the grain unloading has been well above any competition. Grain customers at Tracy have also found the advantage of better grain prices and program options, such as price later, which have been positive for customers but not easily found through other grain delivery retailers.

Today, the Tracy Location employs three full time staff, including a dedicated agronomist. They also extend those agronomy services with NH₃ tanks and other application equipment stored out of the location.

What was once a 15 acre blank canvas is now a central part of many area farmers grain business. It has been in line with all expectations and visions created by a cooperative that recognized a need to better serve its members. Those goals extend beyond the three falls already in the books for the Tracy location. Strategically planned to accommodate future expansion, the location in Tracy will continue to be a work in progress to meet the growth and needs of Two Rivers customers.





COMMITTED TO THE COOPERATIVE

A STORY BEHIND A LONG TERM BOARD MEMBER

David Willemsen, a nine-year director on the Two Rivers Cooperative Board, is passionate about the cooperative system. A member-owner since the early 70's, Dave farms corn, soybeans and raises feeder cattle southeast of Pella. Sitting as a board member under multiple managers, Dave desired to be the voice for the smaller farmers, being one himself. He knew it was important that they too have a voice in the decisions of the cooperative. Acting as a vital link between the member-owners and

the cooperative staff, the Board of Directors are responsible for insuring goals are met and problems are solved with the members' best interest at hand. Working toward a mutual vision for success, Dave and the Board understand where Two Rivers has been, and the steps that need to be taken to build upon those accomplishments for the future.

That forward thinking has paved the way for projects at Two Rivers, including the newest location in Tracy. The interest and customer support was there, but a clear path of how to make the project happen was not. Together, the directors, Two Rivers management team and construction company created a quality facility from a 15 acre greenfield site. The Tracy location is a great example of multiple groups coming together to make a decision to better their cooperative and recognize the needs of their member-owners.

Decisions made by the Board of Directors takes time and generates great thought. Every member on the Board has his or her own opinions; however, in the end they all come together as a united front and stand behind each decision they make. Dave explains that managing a cooperative is much like managing your own personal farm. Each entity requires looking ahead with

your inputs and outputs and making decisions that can create a big impact, financially. Since becoming a director, Dave believes both farmers and the cooperative can learn from each other while improving management skills and decision making for both.

As the cooperative continuously plans for the future, Dave foresees agriculture continuing to evolve. As the market becomes more volatile, he believes inputs will need to be planned out even more precisely. With changes in technology and regulations, it will be harder to stay ahead and see what is coming down the pipeline. Facility updates and additions are also a known factor in planning for the future in a cooperative system.

A Pella native, Dave and his wife Gloria have been happily married since 1970 and have three children. Over the years, Dave has been an active 4-H volunteer, holding various leadership roles. Dave is also a board member at the 3rd Reformed Church. As he is nearing the end of his term on the Two Rivers Board of Directors, Dave is hopeful and excited to see the cooperative continue to evolve and grow in the coming future.

TWO RIVERS COOPERATIVE BOARD OF DIRECTORS

President	Jerry Parker- Bussey
Vice President	Dan Wichhart- Otley
Secretary	Stan Woody- Reasnor
Treasurer	Jason Ver Ploeg- Pella
Director	Dave Willemsen- Pella
Director	Brad Rietveld- Otley
Director	Joe Rempe- Leighton
Director	Bryce Kelderman- Tracy
Director	Greg Van Walbeek- Monroe
Assoc. Director	Matt Overbergen- Oskaloosa
Assoc. Director	Scott Marshall- Monroe

SIGNIFICANT FIGURES RELEASED

Justin Huebner- Financial Services Advisor

During this time of year, we have two major grain marketing and crop insurance reports to present that have a large effect on marketing for producers. First, with crop insurance applications due just around the corner on March 17, we now have the prices for which spring crop insurance will be based on. For corn, price is calculated on the average December futures price during the month of February. That average price ended at \$4.62 per bushel. For soybeans, it is slightly different, as price is based on the average November futures price during the month of February. This gave the price of \$11.36 per bushel for soybean crop insurance. If you are still unsure about what to do for this spring crop insurance season, remember Two Rivers is here to help you make those decisions by taking a look at your entire farming business goals.

The other report having a major impact on grain marketing was released on February 21 at the Ag Outlook Forum. This estimation report gives the first initial projections each year of planted acres of corn and beans, expected yields and carryout figures. In addition to those figures, we also want to illustrate for you what effect on those figures could be experienced if actual numbers vary slightly from those estimated at the Forum. The table at right

shows the Forum's estimations, with columns following that show alternate situations through changes to acres and yields.

After reviewing these projections, the question becomes, how does the cooperative use this information? Aside from projecting prices and carryout amounts, these figures help us to work with customers to create a strong marketing plan. We use them for price protection and combine them with input prices and contracts to set market price goals. We want to share these current projections and future reports with you to help our customers market their grain effectively. Feel free to meet with me to discuss these figures and your farm's grain marketing further.

Ag Outlook Forum Estimations

	Forum Estimations		Alternate Situations			
	Beans	Corn	Beans	Corn	Beans	Corn
Planted ac.	79.5	92.0	79.5	92.0	81.0	93.0
Harvested ac.	78.5	84.6	78.5	84.6	80.0	85.5
Yield (bu/ac)	45.2	165.3	43.0	160.0	42.0	150.0
Carry-in (bu)	150	1,481	150	1,481	150	1,481
Production (bu)	3,550	13,984	3,375	13,536	3,360	12,825
Available (bu)	3,715	15,491	3,540	15,042	3,525	14,331
Total Use (bu)	3,430	13,380	3,430	13,380	3,430	13,380
Carryout	285	2,111	110	1,662	95	951

in millions

CUSTOMERS COME FIRST

PELLA EMPLOYEE ROBIN REDDING



"The relationships I have built over time with customers makes the tough years easier to get through. Receiving a Christmas card, or hearing a thank you, reminds me of why I love doing this job. It also helps to have an outstanding group of people to work with every day."

Over 24 years ago, Pella native Robin Redding was hired to input computer invoices into a system for the cooperative. Just as Two Rivers Cooperative has grown over time, so have Robin's responsibilities. Today, she is known as Two Rivers Cooperative's Credit Manager and Human Resources Representative. As Credit Manager, Robin is responsible for monitoring accounts, payroll and general human resource tasks.

In the cooperative system, every new year brings a new set of financial trials. Robin works to ensure that you, the customer, make the best financial decisions as cooperative member-owners. Credit managing can be stressful, but for Robin, the rewards outweigh the challenges.

Robin and her husband Dan, reside in the neighboring town of Harvey. They enjoy spending time with their five grandchildren and small-town living.

Locations in

Pella- 641-628-4167

Otley- 641-627-5311

Monroe- 641-259-2232

Tracy- 641-949-6411

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NEW DIESEL PRODUCT NOW REQUIRED

Lonnie DeZwarte- Certified Energy Specialist

A new EPA mandate took effect on the first day of 2014 which now requires producers to purchase farm equipment that uses diesel exhaust fluid (DEF). DEF is an urea-based solution that is used by diesel engines to meet emission standards set by the EPA to reduce the amount of mono-nitrogen oxides (NOx) emitted by diesel engines. DEF is a non-hazardous solution that looks like water, but has a slight smell of ammonia. This new diesel engine technology gives manufacturers a greater ability to tune engines for improved fuel efficiency and increased power.

When refilling DEF, make sure to only fill into the designated tank, not the diesel fuel tank. It is important to the performance of the product to keep DEF equipment clean from dust and dirt to avoid any contamination. To further ensure this, only use DEF products that have been delivered in dedicated, sealed packages.

As a provider of DEF, we have made ourselves educated in the use and delivery of this product. For your diesel equipment requiring DEF, Two Rivers has 2.5, 55 and 275 gallon containers available. If bulk amounts are needed, we can make arrangements for delivery of DEF as well.



Equipment Protection Plan Pays Out

Customers of Two Rivers who use our Cenex[®] fuel and lubricants can take advantage of the Cenex[®] Total Protection Plan. The Plan, which protects equipment using these premium Cenex products, extends beyond all manufacturer warranties. With the Total Protection Plan, new equipment is covered for up to 10 years or 10,000 hours with no deductible. Used equipment is also covered with the protection plan for up to 8 years or 8,000 hours with no deductible.

The advantage and excellent pay out of this Cenex[®] plan has already been experienced by a few of our customers. Recently, Curt Van Wyk received a check for over \$2,900 to cover costs associated with a repair to a used Case IH tractor, as seen above. If you are interested in enrolling in this program as well, contact the Two Rivers energy division at 641-259-2232 to let us set you up with the right energy products and warranty protection for your equipment.