



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

November 2013



Agronomy Update By Jay Van Woerkom

With November 1st arriving as I am putting my article together for this month, there are still some cornfields, and a number of soybean fields, here in the Two Rivers area that have not as yet been harvested.

It's pretty obvious the end of this harvest season is winding down, and with all the challenges we had getting this year's crop in the ground in the spring, I am sure everyone was expecting this to be a harvest that stretched deeper into the fall than those we've had in recent years.

But having your harvest run longer and later than we've become accustomed to also means the fall NH-3 and dry fertilizer spreading seasons are going to be even more condensed and compacted into a shorter period of time than we've had in recent years.

And that means just one thing: **We Must Work Together To Do Even More Work In Fewer Days Than In Past Years.**

This is particularly true for fall NH-3 applications, since this year the narrow window of opportunity for you to get all of the NH-3 you are planning to apply this fall is likely to be even narrower.

We will therefore need to work together to keep all of the tanks and tool bars moving smoothly and efficiently to all of the customers who are applying their NH-3 this fall.

It also means we will need to work

together even more closely to plan, schedule and coordinate custom NH-3 application services so we can keep our applicators and the custom rigs working as efficiently as possible each day.

It's much the same thing when you have dry fertilizer to be spread in the weeks ahead, since we do not want to have the steadily shrinking number of daylight hours burning with men and machines idle if there are acres to be spread.

A big role in how well things are able to progress this fall will come down to good communications between you and your Two Rivers Agronomist.

We will need to know what you need, when you're ready for it and where our floaters, tenders and/or your tanks and tool bars or our custom NH-3 rigs are to be in advance to best coordinate everything that goes into timely, effective and efficient service.

At the same time as we are all emphasizing speed, efficiency, the heavy workload and the steadily shrinking number of days and hours of daylight as November unfolds, we also have to keep in mind the importance of safety in everything you and we do.

None of the things we are able to

accomplish this fall will mean a thing if tragedy strikes and we have any customers or employees seriously injured or killed in the few milliseconds it can take for an accident to occur.

So please, be extra careful and use extreme caution to avoid and prevent accidents, injuries or deaths from occurring this fall.

We have had a very good demand for cover crop seeding this fall, with many more acres having these cover crop seed products seeded in our ongoing commitment to be a part of the solution to crop nutrient run-off into our water sources.

The new Great Plains Seed Drill that Two Rivers purchased to handle custom seeding of cover crops for customers worked extremely well.

I am confident that we at Two Rivers and the ag-industry as a whole will continue to learn more about this important issue and the things we can all do to address it.

The Pre-Pay Season For 2014 Seed is here, so be sure you get your needs lined up soon.

I also want to remind you the **Zero Percent Financing** for your seed purchases through CFA Financing at Two Rivers has a **November 20th Deadline**.

We Look Forward To Seeing You At The TWO RIVERS COOPERATIVE ANNUAL MEETING

THURSDAY, DECEMBER 12TH

At The Vermeer Pavilion In Pella

EVENING MEAL SERVED AT 6:00

BUSINESS MEETING TO FOLLOW THE MEETING

Financial Report To Owners On The 2012/13 Fiscal Year

Of Business That Concluded On August 31, 2013

Report Of Board Of Director Election Results

Fuel Facts

By
Scott
Bensink



Here we are beginning the month of November and in the weeks ahead as you start winding down on your harvest and fall fieldwork, temperatures are definitely going to be trending lower.

As has been our policy at Two Rivers for a number of years now, we **Do Not** winter blend diesel fuel **Unless/Until** we have been specifically asked and/or notified by the customer to do so.

Just so there is no confusion or misunderstanding of our policy on winter blending your diesel fuel I'll put that another way: **You Must Tell Us You Want Your Diesel Fuel Winter Blended.**

On a related note, as you start getting ready for winter around your place, one of the things you will definitely want to do is remove water from your fuel storage tanks, vehicle fuel tanks and filter bowls before the weather gets too cold.

I also strongly recommend you have all paper fuel filters on your fuel storage tanks, equipment and vehicles replaced, since one of the primary functions of these filters is to trap moisture, therefore they are often saturated and will freeze as temperatures drop below freezing.

I can assure you that clogged fuel filters are responsible for a far greater percentage of fuel flow problems during the winter than gelling, so be sure you have these moisture saturated paper filters replaced with fresh filters as you prepare for winter.

I would also highly recommend you fill your on-farm fuel storage prior to colder temperatures settling in for winter as another safeguard to minimize moisture problems in your fuel supplies.

With the price of fuel at one of it's lowest points of the year at this time, now would be an ideal opportunity to fill your farm storage up.

We've had a few questions about why fuel prices have continued to drift lower, bringing them down to their lowest levels for the year, in fact, when at the same time the crude oil market

is on a roller coaster and crude prices are often moving higher.

For one thing, fuel demand/usage is continuing to move down, and at the same time fuel supplies are higher.

A more fundamental reason, however, is that in recent years the price of gasoline and/or diesel at the pumps no longer has the strong link or correlation to what the market price of crude is.

Factors that are playing a much greater role in fuel prices moving include such things as terminal shut downs, terminal or pipeline shortages/outages, rapid basis turn around and, as always, speculation in the fuel/energy market by various funds and traders striving to post profits for investors.

LP NOTES: As I am sure everyone has heard or read, there has been a significant shortage of LP develop this fall, and certainly a big role in that is being played by this year's larger than expected corn crop being harvested at higher moisture levels than "normal" due to the delayed planting and an extended harvest season.

Demand for LP mushroomed very quickly and there were indeed many local suppliers and area distribution sites that ran completely out of product.

I am very pleased to say that Two Rivers did not run out of LP to serve our customers at any time, but I think everyone should know that for me to make that statement we were going to great lengths to keep LP available for you.

Those measures included going farther out to secure loads of LP as our nearby sources of supply ran out, plus having transports waiting in very long lines at those terminals and having the number of loads we could pull in a day limited.

As the harvest season is starting to wind down the LP supply situation should begin to ease, and hopefully we'll have a few weeks of moderate

temperatures so the industry has additional time to build inventories before the onset of winter.

It could be a long, cold winter, however, so I think this should serve as a cautionary tale to all who use LP that monitoring their inventory will be even more important going forward, especially for those who order their LP as needed.



Livestock Production

By
Nick
Steinbach

I want to pick up where I left off last month with some comments and information on **Porcine Epidemic Diarrhea Virus (PEDV)**.

Incoming Gilts: Gilts coming into a PEDV negative unit or sow farm should be tested for PEDV prior to being shipped to ensure they haven't been exposed to and are not shedding the virus.

Contaminated Sites: With the manure removal season approaching - or for some already here - be aware there is a risk of contaminated pumping equipment entering a premise.

Here are some key questions to answer:

- * **Do you have** an established policy developed to audit sanitation processes between sites?

- * **Can pumping** be completed in "like" health status sites?

- * **Are site employees** aware of risks and able to maintain their lines of separation to reduce the risk of tracking yard contamination into the barn?

As I mentioned last month, PEDV is relatively new to producers here in the U.S., and while much more has

LIVESTOCK

Continued On Page 3

ATTENTION LP CUSTOMERS WHO ORDER AS NEEDED

Please Take All Precautions To Prevent Running Out

CHECK YOUR TANK GAUGES REGULARLY

PLACE ORDERS FOR DELIVERY WHEN GAUGE READS 25%

ORDER WELL IN ADVANCE THROUGH THE WINTER SEASON

REMEMBER - IT CAN BE VERY EXPENSIVE TO RUN OUT

There Is A Pressure Test Required For All Outages

An Adult Must Be Present When Product Is Delivered

So Pilot Lights Can Be Lit To Resume Service

Two Rivers Has A 200 Gallon Minimum Order Requirement

(There Is A Surcharge For Delivery Of Lesser Volumes)

BOARD OF DIRECTOR CANDIDATE PROFILES

The individuals pictured on this page have had their names submitted by the Nominating Committee to be included on the ballot for the position of Director.

Class A Members can cast their vote for their choice of 1 candidate from each of the three Director Area Districts in which a candidate is to be elected, with the individual receiving the highest vote total in each District elected to serve for a three year term of office.

Once again this year, members unable to attend the Annual Meeting to cast their ballot in person will be able to vote by mail using the ballot and envelope that is sent to all Class A members with their Official Notice of the Annual Meeting.

OTLEY AREA

JOE REMPE *

Joe has been farming for 19 years. The Rempe farming operation, which Joe farms with his father Stan as S & K Farm Company, is located near Leighton and includes corn, soybeans and hay crop production, plus a cow-calf livestock operation.



Joe's wife Carrie also assists in their farming operation.

He enjoys hunting and fishing as favorite pastimes.

A cooperative member for 19 years, Joe is a member of the Heartland Reformed Church in Pella.

He has served 2 terms on the Two Rivers Associate Board and 1 term on the Two Rivers Board of Directors.

TRACY AREA

JERRY PARKER *

Jerry has been farming for 32 years. The Parker farming operation is located east of Bussey and is a part of the Parker Brothers Farm LLC, which includes corn, soybeans, oats and alfalfa crop production, plus a farrow-to-finish pork and a cow-calf beef livestock operations.



Jerry and his wife Dyan, who is an Executive Assistant for Pella Corp have three children: Daughter Bailey is 22; son Jared is 23 and son Brent is 17.

He enjoys watching the Sprint Cup National Races and serves as a referee for both football and basketball at the high school levels.

A cooperative member for many years, Jerry is also a member of the Union Liberty Church in Bussey. He has served 1 term on the Two Rivers Board of Directors and holds the office of Board President.

OTLEY AREA

HARVEY BEYER

Harvey has been farming for 29 years, The Beyer farm is located near Otley and includes corn and soybeans crop production plus a farrow-to-finish pork operation.



Harvey and his wife Teresa, who serves as a Pre-School Director at Creation Station, have 2 children, a daughter Paige who is 15, and their adult son Brett.

A cooperative member for 28 years, Harvey is also a member of the Otley Reformed Church.

BRAD RIETVELD

Brad has been farming for 24 years. The Rietveld farming operation is located near Otley and includes corn, soybeans and alfalfa crop production plus a cow-calf and beef backgrounding livestock operations.



Brad and his wife Holly, who is a Product Analyst at 3M, have one child, son Caleb who is 15.

Brad enjoys outdoors activities of all kinds, spending time with the family and watching Caleb grow up all too soon, plus showing cattle and spending time with friends.

A cooperative member for 24 years, Brad is also a member of the Third Reformed Church in Pella; a member of the Cattlemen's Association and Farm Bureau. He also serves as a Marion County Township Trustee and on the FSA County Committee.

*** Signifies Incumbent Director**



Marketing Analysis

By
Justin
Huebner

The USDA released the export sales report on October 31st for the entire 16 days that the government was shut down due to lack of funding.

As I referenced in my daily commentary letter (which can be accessed free of charge via our website or email), numerous times early in October, the government shutdown was an absolutely ideal time for our foreign customers to buy large amounts of grain and fly completely under the radar.

The reason is that with the government shut down, no large purchases would be reported under the mandatory reporting service through USDA.

This mandatory reporting service all started back in the 1970's when Russia bought an incredible amount of wheat from the U.S.

With no reporting service at that time, the immense volume of these purchases wasn't known to U.S. traders until it was too late, when the carryout numbers were calculated and the wheat supplies were nowhere near as large as expected.

The estimates for corn in the report released on October 31st were between 74.8 and 98.4 million bushels, but the actual number was pegged at 208.6 million bushels.

Estimates for soybeans were between 88.1 and 110.2 million bushels, but the actual number far surpassed that at 174.2 million bushels.

Although these two numbers were quite impressive, most other commodities were disappointing as far as volumes are concerned.

Once again "Buy The Rumor, Sell The Fact" trading ensued, and now traders turn their focus to the **November 8th Supply & Demand Report**, the first we have had on S & D since September.

The report is expected to be bearish, with farmers in many areas of the Grain Belt harvesting much better yields for both corn and soybeans than previously expected.

The biggest question mark as harvest approaches its end will be: **What will the final harvested acres for**

corn end up being?

Many in the trade feel lots of prevented planting acres haven't fully been integrated into supply/demand models USDA is currently using.

Corn demand has reappeared, with South Korea, Mexico, China, and Japan all booking significant quantities of corn recently as the U.S. has been the cheapest supplier in the world.

Another factor that could have a significant impact on corn demand as the year unfolds is that the EPA is apparently revisiting the requirements in the Renewable Fuels Standard, thus causing corn traders to continue to wait for that ruling.

Naturally the big oil companies are throwing their weight, and money, around trying to get the mandate lowered, which obviously pads their own pockets, plus it simply appears that they mostly don't like how ethanol producers are making good money.

Their main argument is that we've hit a "blend wall" so we can't blend any more ethanol until the recession ends and people start driving again.

It seems ridiculous EPA is considering with the huge carryout we are starting at for next year, but yet they stood firm last year in a year with obvious corn shortages and record corn prices.

ATTENTION: Be sure to check with your insurance agent regarding a possible claim this year on your crop policies, particularly so with corn.

Due to the price drop from the spring to the fall there will be numerous producers that grow near their guarantee, but who will still be eligible to collect. Here are the crop insurance prices:

Spring Prices

C: \$5.65 SB: \$12.87

Fall Prices

C: \$4.39 SB: \$12.87



Cattleman To Cattlemen

By
Ryan Healey

ADVANCE NOTICE: Please take a moment to place a mark on your calendar **Tuesday, December 17th** will be the date for an outstanding **Producer Information Meeting** to be held at noon in the Pella office.

Featured speakers will include Bryan Thill from Pfizer and Scott

Rain from Purina Animal Nutrition who will be presenting some excellent information on feed additives and other nutritional issues, plus some very good information on feeding pregnant cows.

I will be trying to get in touch with as many of our livestock producer customers as possible in the weeks ahead, but please don't wait for me to contact you if you're interested, simply call me and let me know you'd like to be there so I can reserve a spot for you.

TUB SPECIAL: We're offering a **\$10.00 Discount** on all tubs purchased prior to December 31st, so now is definitely the time to stock up and save.

QLF: QLF is a great option for offering protein to cattle. Improving palatability and reducing waste of your forages will make you more profitable, and we offer the service of pouring your bales and filling up your tanks.

LIVESTOCK

Continued From Page 2

become known about PEDV in the months since it was first detected in this country in May of 2013, there are still some key questions that remain.

We know, for example, that PEDV can be physically moved from contaminated facilities and equipment to negative pigs, leading to significant losses.

We also know the virus can survive colder temperatures.

And we know bio-security is a key issue, therefore understanding and identifying where holes exist in current bio-security procedures so we can address them will be a major factor in helping reduce the risk of PEDV infection in a swine herd.

If your operation experiences an outbreak of PEDV, it is absolutely essential that you then manage the situation as you would an all in/all out operation.

HOLIDAY CLOSING

All Locations Will Be Closed
THURSDAY, NOVEMBER 28TH

THANKSGIVING DAY

Please Plan and Order
All Supply/Service/Business
Needs In Advance Of This
Very Special Holiday

All Of Us At Two Rivers

Wish All Of You A

HAPPY THANKSGIVING



As I See It

By Tracy Gathman
General Manager

We were approaching the first weekend in November as I was putting my thoughts together for this month's newsletter article.

Halloween has come and gone, along with all or most all of the candy the kids received as treats, and today is November 1st.

Thinking back to this past spring when there were so many challenges to even get the 2013 crop in the ground, the steady showers that fell in the early part of the season, a rare May snowstorm that blanketed those fields that had been planted, a challenging summer with heat and another long stretch of weeks with cloudless skies and minimal moisture, I am sure I was not alone as fall arrived wondering just how late this harvest season would be.

Although not starting until later than we've been accustomed to getting underway with harvest the past couple of years, which by most standards we could certainly classify as "early" starting harvests, once things did get rolling in early October we have had virtually ideal weather and field conditions from Mother Nature for the combines to run steadily and virtually non-stop ever since.

So I think you'll agree that it is somewhat surprising, when all things are considered, to have it be November 1st and to have so much of this year's crop harvest in our rear view mirrors.

In fact, my guess would be that by this time next week, providing we continue to be blessed with good weather and field conditions, the majority of Two Rivers farmers will have all or virtually all of their fields combined and many will be off to making good progress on their fall fertilizer, NH-3 and fieldwork chores.

As might be expected with all this crop has been through from the beginning, yield results are pretty much scattered all over the board this year on both corn and soybeans.

It appears that soybeans in particular suffered the extreme effects of weather this season, and I am sure a number of yield potentials were significantly reduced during that nearly 2 week period in August, an always crucial time frame for



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soybeans, when we had several consecutive days of 100 degree plus temperatures, others in the upper 90s and no rain to help the crop against the heat.

While there certainly were some soybean yields that were respectable given the conditions, this year's soybean crop did not achieve the yields we all would have hoped for, and the crop was therefore disappointing overall.

Corn, on the other hand, had a much greater number of positive results, again when we factor in all this year's corn crop faced throughout the season.

Based on the conversations I've had and heard, it would appear there was quite a significant number of fields which had yields that the producers classified as surprisingly better than expected.

The one item of concern about this year's corn crop, however, is that due to the wide range of planting dates, and the maturity dates as well, along with the stresses and challenges this corn crop experienced, we could be looking at another very difficult to store crop.

Additionally, with this later than normal harvest and the wide range of planting dates and maturity dates, plus the variable uniformity and consistency of dry down and moisture content of corn stored in farm bins, all create ideal conditions for molds to develop and will make this year's crop extremely vulnerable to damage and going out of condition during the time it is in storage.

On top of all this, with market prices under the pressures they have been feeling, a lot of corn went into farm bins that in many cases haven't been used in recent years, and those bushels could stay there longer, so **Please Check Your Bins Regularly** to monitor corn temperature, moisture, quality and condition so you do not end up with a mess on your hands when you decide to sell.

And please, do not wait until later to inspect the grain you have stored on

your farm: **Do It Now!**

With the weather changing from fall to winter, there may already be grain damaging forces at work in your bins, and the problems they are causing will only get worse in the days ahead.

ANNUAL MEETING: We hope to have another very good turnout of Two Rivers members for the Annual Meeting of their cooperative on December 12th.

I can assure you that the Board of Directors, Staff, Employees and I are all looking forward to presenting you with a financial report for the past year of business that all of you can be very proud to have played a role in making possible for the company you own.

This will be the **12th Consecutive Year** of positive financial performance and growth for your Two Rivers Cooperative, and all of you can be very pleased with the results that will be reported to you that evening.

I believe one of the **Major Highlights** of the evening, other than listening to my presentation, of course (and I will pause now to wait for the laughter to subside) is the great honor we will all enjoy to listening to the presentation of our featured speaker, **James Olson**.

He is a native of Le Mars, Iowa, who served our country for a number of years as a member of the Central Intelligence Agency, with the majority of those years of service being spent overseas and involved in clandestine operations.

He is currently a faculty member of the George Bush School of Government & Public Service at Texas A & M University, and having had an opportunity to hear him speak, I can assure you that you will enjoy the time spent listening to some of his experiences.

He says he has many fond memories of several visits he has made to Pella, including this year as he once again rode in RAGBRAI, something he has enjoyed doing for a number of years.