



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

October 2013



Agronomy Update By Jay Van Woerkom

If you haven't talked to your Two Rivers Agronomist to firm up your fall fertilizer plans and programs, then please do so as soon as possible, since we definitely need to have all the plans in place, maps updated and orders for the recommended rates on the schedule to make the best use of manpower, equipment and the time we have once your crops are harvested.

Mother Nature may not give us a nice, long leisurely fall to get all the work you want/need to get done in the fields completed before winter moves in and shuts things down, so let's work together to be ready to take full advantage of every day we get to take care of as many acres as we can for the best head start on the workload.

And be sure you don't forget to include the micro-nutrients your crop needs when you are putting together your P & K plans.

If you haven't discussed what the soil samples are telling you about micro nutrient deficiencies with your agronomist, do so when you're planning your P & K for this fall.

Once again we have a substantial volume of NH-3 that has been purchased for fall application by our customers, and with the short window of time we could have to get all of that product applied you may want to take a strong look at having Two Rivers custom apply NH-3 for you this fall so



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you can concentrate on harvest and other fall fieldwork you need to do.

Again, we need plans to be made and field maps on hand as soon as possible so we can have the best handle on who needs what and where to enable us to get out to start on these services as soon as soil temperatures are favorable.

If you are planning to apply some/all of your NH-3, we remind you to work closely with your Location Manager and/or Agronomist to line up tool bars, since we definitely need to be as efficient as possible spreading the tool bars we have out to all who need to use them.

If you have a tool bar out and weather prevents you from using it,

and certainly after you finish using one, get the tool bar back to Two Rivers right away so we can get it out to the next customer on the list who is waiting for you to finish your work so he can start his.

There is almost always one and often two or more people who are waiting for each bar that's out to come back in, so remember the other guy when you have a tool bar out because next time you could be the one who is waiting.

As always, whether you're applying your own NH-3 or we're custom applying for you, we are also highly recommending you include N-Serve

UPDATE

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Fuel Facts

By
Scott
Bensink



As of September 15th, all of the gasoline pipelines and terminals in the U.S. have made the transition to the lower octane gasoline products that were mandated in the **Renewable Fuels Standard (RFS)** that was passed by Congress in 2005.

As a result, the standard 87 octane gasoline they supplied prior to this transition has been lowered to an 84 octane fuel product.

The state of Iowa has a minimum octane standard of 87 for gasoline used in this state, therefore it is now necessary to blend the 84 grade fuel we obtain from the terminal with a higher octane fuel to bring the octane rating up to meet Iowa's minimum standard of an 87 octane fuel.

Therefore, in order to obtain a straight no-lead gasoline with an octane rating of 87 that does not contain ethanol, it is necessary to blend the 84 octane product with a premium 91 octane product.

Obviously, the higher cost of the 91 octane product used to raise the 84 octane fuel to an 87 octane product significantly increases the cost of the 87 octane gasoline we now offer when compared to the previous straight 87 octane fuel we were able to handle prior to the RFS mandated transition.

As in the past, we will also continue to offer the E-10 grade of ethanol gasoline, which includes a 10% blend of ethanol with standard no-lead gasoline.

Our E-10 ethanol fuel product is now also an 87 octane rated fuel, rather than the 89 octane rating it had prior to the transition to the lower octane (84 octane) fuel product now handled by the pipelines and terminals.

LP NOTES: We've had a couple of brief encounters with cooler temperatures in recent weeks, and hopefully those have served as a reminder to all of you to have your home furnace and any of your building heaters checked out and test fired to be sure **All Systems Are Go** prior to the start of the fall/winter heating season.

It's also a good idea to use this pre-heating season inspection as an

opportunity to replace your furnace filters for more efficient operation too.

HARVEST ARRIVES: There were a few of our customers just getting started on their harvest chores as I wrote this article heading into the last week-end of September, and I imagine by this time next week the majority of you will be underway in the fields working long hours to bring this crop in.

Your **Two Rivers Fuel Team** will also be working long hours to keep all of you well supplied with your diesel needs, and I hope you will help them provide you and all of our customers with the most timely and efficient service by calling in advance to order delivery when your fuel tank is at the half full mark.

This advance notice from you lets us route deliveries for maximum speed and efficiency, helps us eliminate timely and costly extra trips into the same area, and by helping us control our delivery expenses you're also helping keep your costs lower in the process.



Livestock Production

By
Nick
Steinbach

I am sure some of you may have already seen or heard about a **"New"** and very serious virus that has started to turn up in swine operations, and in this month's article I want to touch on some of the basics.

The threat comes from the **Porcine Epidemic Diarrhea Virus (PEDV)**, and the reason I have emphasized the word **"New"** above is that while it is indeed a newly arrived threat to the pork industry here in the United States, where it was initially detected in May of 2013, it has been challenging producers in many other nations around the globe since at least the 1970s.

For a perspective on PEDV, many people in the industry say it's like **TGE On Steroids**, and while there are indeed many similarities between the two diseases, it seems the problems

associated with it are much more amplified with PEDV.

An outbreak of PEDV is considered so much more severe because at present there is no immunity to it at all, therefore pig mortality can be devastating if it strikes.

You can also get an idea of how serious PEDV is being taken when you consider that initially the **National Pork Board** designated \$450,000 to deal with an outbreak.

And just recently committed additional funds raising the total commitment to \$800,000 for research, education and coordination of efforts to better understand the threat.

What is well known and established is the tremendous importance of bio-security in the effort to keep PEDV out of your operation, and the obvious starting point here would be with packing plant bio-security measures to prevent PEDV from gaining access to your pigs.

One area of significant concern is the loading/unloading process, since larger hogs carry the virus and it is possible they could contaminate loading chutes as they are being loaded for market, thus creating an avenue for PEDV to be transmitted to weaner pigs as they arrive and are being unloaded through those same chutes.

Extra precautions therefore need to be taken to disinfect chutes used for loading and unloading, and some suggest labeling and using separate chutes exclusively for loading and unloading in addition to thoroughly disinfecting them.

Driver areas where employees and/or truckers walk to enter/leave chutes also need to be thoroughly disinfected from the point of entry to the top and all areas where chutes come into contact with the truck.

Obviously it is crucial to require all trailers used to pick up animals be cleaned and disinfected prior to arrival on your operation.

When doing this, be sure that sufficient time is allowed for the disinfectant to dry thoroughly.

I am sure we are going to be hearing much more about PEDV as time

LIVESTOCK
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TWO RIVERS FUEL/ENERGY TEAM MONTHLY SAFETY TIP

*"If You Smell LP Gas Odors Leave The Premises At Once
And Call Two Rivers From A Safe Location To Report The Problem"*



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

There's been a handful of Two Rivers area farmers who were able to get a jump on their 2013 harvest chores during the final days of September, so I've been getting a few preliminary yield reports from some of the fields that got planted prior to the early May snow our area was surprised with this year.

Keeping in mind that these reports are not only from those earliest planted fields but are also a very small sample, it would appear there could be some significantly pleasant surprises coming from the corn crop, especially when we factor in the impact of yet another late season stretch of extremely hot, dry weather.

Corn yields I have heard mentioned are in the upper 190s to low 200s, and since so much of the talk this year has centered around questions about just how well the "Early Stuff" would do compared to the "Late Stuff", I feel these early yield reports suggest yields will likely start to taper off the deeper we get into harvest.

As far as the early soybean picture looks, there had been only a very small and scattered number of fields combined as I wrote this article, and based solely on those sketchy results the yields on beans could be a bit disappointing.

I'm not ready to apply that term to our bean crop just yet, however, since the wide range of planting dates and rainfall amounts will most likely have soybean yields spread all over the board and covering the full spectrum of emotions.

USDA REPORT: The September 30th Stocks Report from the USDA was another shocker when its figures are compared to the grain trade's estimates.

Right, wrong, or indifferent, these USDA reports are garnering heavy criticism, and lately they have even generated interest to investigate the often wide disparity in the figures we get in many of these USDA reports compared to the figures being projected by traders.

In any event, here's a quick look at what some of the the numbers in the

report were:

The USDA pegged corn stocks at 824 million bushels, compared to the average trade estimate of 681 million. The explanation here is that the trade was overestimating corn feed usage in their balance tables for the 4th quarter.

This directly impacts new crop balance tables, with a larger carry-in coupled with newly expected large production numbers resulting in a carryout that could approach or even exceed 2 billion bushels.

That's twice as much as what we should consider to be a "comfortable" supply.

This type of corn carryout would historically suggest a March futures price level somewhere around the \$4.00/bushel area.

USDA also pegged soybean stocks at a surprising 141 million bushels, compared to the average trade estimate of 124 million.

This is also despite the fact that USDA had put ending stocks at that "Line In The Sand" 125 million level all year, but then decided to increase production 17 million bushels.

This type of increase, coupled with a much better than expected 2013 production number, could actually make it possible for the U.S. to achieve a carryout approaching 200 million bushels, which is what we consider to be "comfortable" supply.

However, if yields turn out to be closer to 40 bushels per acre for the national yield average, then we will likely be in a price rationing mode again for the upcoming year.

The world will have to rely on South America to have a big soybean crop if the U.S. national average is only near 40 bushels per acre this year

The USDA is saying soybean bushels are still on the farm, with 28% of the stocks still in on-farm storage.

This compares to 23% of the beans

in farm storage 4 out of the past 6 years. The other 2 years that figure was 25%.

Historically, the corn and soybean 15-year seasonal patterns turn bullish after the first week of October, and typically the harvest low is set the first couple days of October.

With such a wide range of weather, moisture and planting dates to be factored in this year, there is probably as much uncertainty in the trade as we begin October as there has been in some years.

Therefore we may need to demonstrate a little more patience this year until the trade gets a better grip on crop yields and size.

LIVESTOCK

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goes on, so be sure to stay alert for additional developments and information as more about this very serious health threat becomes known.

And for now, intensify your bio-security measures and protocols to do everything you can to keep PEDV off your operation.

ORDER EARLY: Just a quick reminder to all as harvest gets underway that we will sincerely appreciate you ordering feed deliveries early in the day and early in the week to give the Feed Team additional time to plan and route our feed manufacturing and delivery services for maximum efficiency and savings.

This enables us to best utilize our manpower to take care of each day's feed orders for our producers so that once those responsibilities can be completed, our people are ready to step in and assist with handling grain deliveries for you, and/or to assist with a number of fall fertilizer tasks as the demand for NH-3 and dry fertilizer services intensifies at all of our locations and on your farms.

CFA INPUT FINANCING PERCENTAGES ANNOUNCED

By Justin Huebner

The CFA Input Financing Program for the 2014 crop is now in place, and as many of you are now or soon will be making your plans and decisions on your seed, crop nutrients, crop protection products, and farm fuels for your next crop, I wanted to include that information in this month's newsletter. This year's percentages are:

Crop Nutrients	100%
Crop Protection	100%
Seed	50%
Farm Fuels	75%

If your purchases include inputs from all four of these categories you are eligible for a 3% interest rate reduction.

If your purchases include inputs from three out of the four categories you are eligible for a 1% interest rate reduction.



**Cattleman
To
Cattlemen**
By
Ryan Healey

As we get ready to head into the 2013 harvest season a lot of our local producers have already weaned their calves.

If you aren't among them, however, and still have that chore ahead of you in October, please take a few minutes to visit with me about some of the different options you have to take a look at what will work best for your program and operation.

If you plan on buying cattle and taking advantage of the lower cost of grain we're seeing in the current market outlook, I would welcome the opportunity to work with you to put some projections together that will give you a good look at your profit potential.

Additionally, I would also like to assist you by sampling and testing the nutritional values of your forages so that you can make your rations more cost-effective and to assure they are meeting the nutritional needs and demands of your livestock.

Nutrient values change from year to year with the grain and forages you're feeding, and to get the maximum benefit from these feedstuffs you need to have the ration properly balanced so all the nutritional needs of your animals are being met.

I also would like to encourage our producers to consider de-worming their cattle as they are taking them off the pastures this fall.

If you didn't do that this spring or have had problems with worms, I recommend you use SafeGuard to improve performance and overall health.

SafeGuard is very effective, easy to use and very economical too.

I'm pleased to announce that I am currently putting together the schedule for a producer meeting to be held early this winter.

I encourage you to be watching for my newsletter article next month where I will be announcing some additional details and information on this meeting, and I hope that you will be able to attend for the valuable information that will be presented there.



The photo above shows the Great Plains Seed Drill that your Two Rivers Cooperative has purchased this year to be used to custom seed cover crops for our customers.

In this photo the three sections are folded for transport, however when unfolded they will give the unit a full 40-foot seeding capability in the field.

We have had a very good response from our customers to this new program of custom seeding cover crops to address crop nutrient losses and soil erosion, and for additional details please refer to Agronomy Update article in this month's newsletter.

UPDATE

Continued From Page 1

with your fall applied NH-3 as a solid investment to keep the N where it needs to be in the soil profile to benefit your crop.

COVER CROPS: As we have discussed with you in several previous newsletter articles, there is a tremendous amount of attention that continues to be directed toward issues of crop nutrient levels in the water resources of this country.

Nitrate levels are of special concern, as Tracy discussed in the August newsletter, the problem this past spring was most likely magnified as a result of heavy rainfall amounts that fell during May and June of 2013 in many parts of Iowa just as we were coming out of an extremely dry summer and fall of 2012.

One of the key strategies that has been created to help reduce nitrate runoff into creeks and streams that feed into Iowa's rivers, which in many cases flow into the Mississippi River and end up in the Gulf, is to seed

cover crops such as rye grain in the fall to help reduce soil erosion over the winter and through the early spring, when rainfall can cause significant run off and soil erosion.

Late September and early October are ideal times for seeding these cover crop seed products, and there has already been a big demand for cover crop seed such as rye grain.

I therefore encourage anyone who is still interested in cover crop seeding this fall to visit with us as soon as possible so we can get your seeding needs lined up and to schedule custom seeding services with the new seed drill.

I don't know how many of you saw it, but there was recently a lawsuit decision announced in favor of the EPA that was related to the issue of run off and soil erosion, and as far as I'm concerned the handwriting is already clear:

Either we take voluntary actions and make solid efforts to deal with these issues on our own, or there will be plenty of others who will establish a long list of rules, regulations and restrictions for us.



**OCTOBER IS
NATIONAL PORK MONTH**
*We Hope All Of You Will
Join With Two Rivers As We
Thank & Recognize Our
Local Area Pork Producers
And Their Families*
**THANKS NEIGHBORS
FOR IOWA PORK
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As I See It
By Tracy Gathman
General Manager



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ADDRESS SERVICE REQUESTED

SAVE ON FUEL: To begin with I want to call your attention to the item on the front page of this month's newsletter that announces a **4 Cents Per Gallon Savings** for customers using their Two Rivers (or Cenex) Card at the Card-Trol pumps in Pella and Otley .

To receive this savings on your purchases at the pumps, you will need to stop into the Pella office where the cards we issue to access the pumps and record your purchases to your account are created.

This will enable us to upgrade your **Two Rivers Card-Trol Card** so it will deduct 4 cents per gallon automatically from the purchase price when it transfers your purchases to your customer account, or to issue you a new card with this feature included.

Only new cards and/or cards that have been properly upgraded will provide you with this savings opportunity, so be sure to stop into the Pella office before the next time you drive into the Card-Trol for fuel.

HARVEST IS HERE: The 2013 harvest season was just getting started during the final days of September when we were all putting together the information for this newsletter, and all of us here are as anxious, excited and curious as I am sure all of you are to get into the fields to see just what kind of crop is out there.

Some of the very early yield reports on corn have been very encouraging, in fact even somewhat surprising when you factor in the extremes of weather this year's corn crop has endured.

As I believe I mentioned a year ago at this time when talking about the challenges of adverse weather and all the 2012 crop went through, the advances in genetics and technology coupled with the increased level of management farmers are using in terms of seed selection, nutrient applications and pest controls have taken crop performance and yield capabilities far beyond those of the crops you

were planting 20 years ago, or even 10 years back.

Thus while I suspect there will be fields where both the corn and soybean yields fall a bit short of what we all would have hoped them to be, I am also totally confident there will be many more fields where our expectations are met and/or exceeded when all the adversity this crop went through is considered.

Of course it also follows that those expectations remain realistic, since while it is truly amazing to consider just how far the advances and changes made possible by technology have taken corn and soybean production in the past 10 years, Mother Nature still holds the high cards each and every season.

Once again, therefore, it appears only time and your combines will give us the final answer about what kind of crop has been produced in the fields, and as the season unfolds in the weeks ahead I believe Two Rivers is in excellent position to serve your harvest needs this fall.

Our storage facilities at all locations are as empty as I can ever recall them being to start a fall, and they should therefore provide adequate space to handle your grain as you cross the scales.

If the crop does turn out to surpass all expectations for size, we certainly have contingency strategies in place to serve you as well, and while a large crop clearly brings challenges with it, those are always manageable when we all work together with the knowledge that a large crop is and always has been a blessing to the farmers and their families.

Naturally, as you complete your harvest work in one field and move on to

the next, the time for fall fertilizer applications arrives and once again this year the entire **Two Rivers Agronomy Team** is ready and well-positioned to be of service to all of our customers.

I encourage all of you to work very closely with your **Two Rivers Location Managers and Agronomists** for your fall NH-3, P & K and lime product, equipment and custom application service needs so they can assist all of you in getting the very best head start possible on the 2014 crop workload this fall.

A GOOD YEAR: At this time the auditors are in to complete their work on the financial statements covering the 2012/13 fiscal year of operations that ended August 31st.

I am very pleased to say that while I do not as yet have any final figures to report, all their preliminary work points to this having been another successful and positive year of performance and growth for your Two Rivers Cooperative.

The complete details will be reported to you at the **December 12th Annual Meeting** of Two Rivers, which will once again be held at the Vermeer Pavilion in Pella.

So mark your calendars now to reserve that date and be watching for additional details in the November newsletter.

ONE MORE TIME: Finally, we all know a lot of work lies ahead of us and there will be many long days of hard work, significant pressure and limited hours of sleep in the weeks to come, therefore I bring this article to a close with a short and simple message to everyone:

**LET'S ALL BE
CAREFUL OUT THERE!**