

Farmers Cooperative

COOPERATIVE



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Marble Rock (641) 315-2515

Rockford (641) 756-3611

Rudd (641) 395-2271

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Manager's Comments

By
**Steve
Bodensteiner**
General Manager

We are having yet another **Very Interesting Winter.**

Just when you start to think the weather is going to break and it will start improving, **Old Man Winter** shows up again to deliver another knockout punch.

I know the calendar says January was 31 days long, as all Januarys are.

But it sure seemed to be a lot longer than that with all the snow, ice, drifts and sub-zero temperatures.

Oh, and let's not forget the fog.

The only things we didn't get were sunshine and above freezing temperatures, and the only good thing a person can say about January is that it is thankfully over with at last.

February is here as I write this, and that means spring can't be that far away.

Comfort can be taken knowing that in less than 60 days it will be April 1st, and I am sure we'll all be very happy to see that day arrive and spring underway.

For those of you who have still not put together your spring agronomy plans, now is the time you need to get together with your agronomist to get started on the process of finalizing your product, equipment and services needs.

After all, as I just noted, April 1st is less than 60 days off, and while it's difficult to imagine we could be in the fields with all the snow that is out there, there have been early arriving springs when some work was started

A Special Membership Meeting Will Be Held FRIDAY, FEBRUARY 19TH AT 2:00 P.M.

At The Offices Of Gardiner & Thomsen, CPAs

1209 South Main Street In Charles City

For The Purpose Of Counting Unification Ballots Cast By Members Of
Northeast Iowa Cooperative - Clermont
The Farmers Cooperative - Marble Rock
Progressive Ag Cooperative - Northwood

Announcement Of Vote Results Will Follow Tabulation Of Ballots

Note: Ballots that have not been cast by mail can be brought to this meeting and delivered prior to the counting of ballots by representatives of Gardiner & Thomsen.

before March ended.

With the many tasks ahead of us for this year, we definitely need to get started on them just as soon as the weather does break.

And if that's in late March or early April, let's be sure we're all ready to go so we can hit the ground running when the time comes.

Your Agronomy Team can help you with your farm and field plans so that we can get the best possible head start, so be sure you take time to visit with them now.

UNIFICATION UPDATE: I feel it's appropriate to update you on the latest developments in the unification process that your cooperative has entered into.

The first item on the agenda is to thank everyone who has been able to attend one of the several producer focus group meetings that we've been holding since January 18th, and/or the general membership meeting that was just held.

The weather certainly has not worked in our favor for these meetings, so we've had a make-up version in early February for those unable to brave the elements for any of the prior meeting dates.

We have been very pleased with the

comments, discussions and the questions that have been asked during the course of these meetings.

Speaking for your Board of Directors I can assure you that your interest and participation has been greatly and sincerely appreciated.

This is your cooperative, and we are very pleased to see the membership taking an active part in this important business decision making process.

There have been several issues that have been most frequently raised as we have been going through these meetings, and I would like to briefly touch on a couple of them:

First, it should be noted that all three of the cooperatives involved in this process are in very strong financial positions, therefore this is a unification that is being considered from positions of strength not only for the present, but also for the future.

We are all aware of other cooperatives throughout the state, and throughout the system, that have been merged into and/or purchased by other cooperatives or companies which had little or no choice in the

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Tech Talk Time

By

Alvin Marth

Certified Crop Advisor



Happy February! Maybe that sounds kind of corny, but what else am I going to say to you at the beginning of the month.

Here's a tip for all of you forgetful romantics out there: **Get your Valentines gifts out of the way early so you don't have to scramble on the 13th or 14th.**

If you take care of it early, it should clear out the aisles, so when I end up forgetting and have to fly through the stores to save my behind it won't take any time for me to choose the gift.

Now as they say, to the meat and potatoes of this. The other day, I was listening to the radio and I couldn't believe what I was hearing.

I actually heard a owner of a 'discount' agriculture retail business suggesting that it was a good idea to plant conventional corn hybrids in order to save some money verses the newer corn hybrids.

WHAT?? Are you kidding me?

Was this a ploy to actually save the farmer money?

Probably not. My guess is that he doesn't know how to make a farmer money.

So let's lay it out: Planting convention hybrids verses some of the new hybrids will save you money per acre on seed costs.

However, the name of the game in farming isn't to try to save as much as you can per acre

I "**believe**" that we are trying to make a grower as profitable per acre (a.k.a making more money), and that's not going to happen by planting conventional hybrids.

Does anyone remember how much a conventional chemical program costs?

First off, the chemistry program is going to cost you as much as 10 times more than a sound glyphosate program (which includes a pre-emerge chemical down).

And let's be up front about it, glyphosate has made many of us great farmers.

Next, what do weed escapes cost you?

The pressure from weeds will reduce yield per acre, as well as produce weed seed for years to come.

Now, does anyone actually think old conventional hybrids put side-by-side will out-perform the newer hybrids year after year? **Really???**

I'll admit, there always can be one of those fluke yield trial that might show that, but not in a replicated trial.

There is a reason that seed companies have chosen this direction to go, and it's because year after year the new genetics perform.

Now let's turn our attention to our fertility program.

When we sit down to do our plans, we need to set a yield goal as one of our parameters, and we have to keep in mind the corn yield goal for many producers has changed greatly over the last 5 to 10 years.

Think about what you used to consider a solid yield goal during that time frame.

Was it 170 or 175 bushels per acre? That probably fit most everyone in the early part of this decade.

I think with the genetics and production practices that we currently employ, if your yield goal isn't tickling 200 bushels per acre, something's wrong.

I know this doesn't hold true for every type of ground, but just bear with me.

My point is, we should be fertilizing for where we want to go - not where we've been.

Over the last few years I've had producers tell me their yield goal is around 200 bushels per acre, however in those last couple of years I also think that in many fields we've actually been pulling off 10 to 15 bushels more than that per acre.

So why aren't we adjusting our yield goals?

Truly, if you are worried about the associated costs of the higher yield goal per acre, you are fooling yourself.

Using prices from last fall, the additional cost associated with raising your yield goal 20 bushels per acre is \$5.35 per acre, and I think you'll agree that in the grand scheme of things an investment of a little over five bucks per acre is hardly anything when you start to consider the rewards the extra nutrition will give for the potential increase in production.

We often hear the phrase "**Think Outside The Box**" and this is just

another way of saying we constantly need to look at and evaluate what we have been and are currently doing, and investigate new/different ways to avoid getting stuck in a rut.

If you would like to discuss any of the topics in this article, please contact me or any of the Agronomists with **The Farmers Cooperative** of Marble Rock, Rockford, & Rudd.

The Energy Report

By

Mike Kelsey



Having a tank maintenance program for your farm fuel storage will go a long way in helping you reduce your risks of having problems with your diesel fuels.

Contamination by water and dirt that get into the fuel as a result of careless handling can cause poor engine performance, so you need to exercise greater care to keep these contaminants out.

Fuel tank caps, dispensing nozzles and hoses should all be kept clean to reduce and eliminate them as potential sources of contamination.

I also recommend you regularly take steps to remove water from storage tanks, vehicle fuel tanks and filter bowls, all of which are subject to condensation in our frequently changing weather.

Water also can enter your fuel through leaks in faulty pipes or vents, and by careless handling of fuels.

Tanks can "**breathe in**" a large volume of humid air as fuel is being dispensed, and this humid air then condenses into water inside the tank.

Water in your fuel can cause injector nozzle and pump corrosion, promote biological growth and fuel filter plugging with materials that are created by corrosion or biological growth.

Ice will also form in fuel during

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LET US KNOW
As Soon As You Receive Your
2010 PESTICIDE LICENSE
So We Have Your Number
On File For Spring



**This
&
That
By
Mike Katcher**

We were able to get some corn shipped out at Marble Rock during January, and that's creating a little more room in our elevators.

If the cars keep coming and Mother Nature doesn't interfere too much more, we should be creating a nice hole for corn to fill.

We've got about a third of the bunker pile to get picked up, and we'll be working on that task steadily as February unfolds, so hopefully as we close in on the end of this month the storage picture will be a lot brighter and movement can normalize again.

That's the corn picture, by the way. Things remain tight for soybeans as we speak, so as with corn, **Call Before You Haul.**

I'll also remind all of you to get out to check your bins at least every week or so, and especially right after the wind may have blown some snow in that would settle on the surface layer.

We keep repeating the message that **This Crop Won't Store Well**, and we're doing that for one very good reason: **We Don't Want You To Lose Money.**

But you will, and a lot of it, if you neglect stored grain management. So please, take the time to protect your grain investments by checking bins regularly.

Moving to the agronomy side of things now, it's never too early to start working with your agronomist on farm/field plans, and on getting the field maps updated for the upcoming spring season, and that's especially true this year.

We all know there's a significant volume of carryover work to be done in the fields on top of the normal heavy spring workload, and that means everything we can get done between now and the first push into the fields will help that much more.

Now is the time for you to **Plan To Have A Plan** for spring so you can have things more organized and coordinated, not only on the farm but also with your local agronomist and our service people.

Let's put these long days of snow covered fields to good use by covering all the bases we can for spring, the maps, the pesticide licenses numbers, lining up spreading for lime and/or P & K, and all the rest of the many tasks we want to take care of in the most timely and efficient manner so you can concentrate on pulling those planters and putting your crop in.

NEW EMPLOYEE: In closing, I want to ask everyone to welcome the newest member of the Grain Team, **Ryan Theiman**, who will be driving one of our grain semis.

Ryan is a local guy and I am sure many of you already know him and the family, and we're glad to welcome him on board at your co-op.

**The
Grain
Report
By
Bob Engels**



As Mike talks about in his article, we were able to get a good run on shipping out corn this past month and hopefully that will continue on into February so we can have a lot more flexibility with our grain programs and services than we've had.

We have been able to stay current on contracts, and will continue to do so, but it will likely be a few weeks before we will be in shape to take in any contracted bushels early.

Movement off the farm has slowed in the wake of the January report and the bearish news it gave to the markets.

Corn had lost a half a buck as I wrote this at the end of January, and soybeans were off a buck and a half.

This has been pretty much a seasonal trend for our markets to start out new years, and the bearish production figures for 2009 along with talk of record production coming out of South America will probably keep pressure on prices for a while as we move deeper into February.

Also adding pressure to the market is the recently released news that total on-the-farm corn stocks are now estimated at 7.45 billion bushels, the highest since the CCC days of the mid 80's, and 963 million bushels above last year.

Iowa, Minnesota, Nebraska and South Dakota account for 640 mil-

lion bushels of these stocks, with Iowa having the highest on farm stocks in the state's history.

According to these figures, there are over 1 billion bushels more corn that will need to move from the farm to the market in the months ahead, and that does not take into account 2009 corn left to be harvested.

The USDA crop progress report indicates there is about 600 million bushels of corn that did not get harvested this past fall, and nearly 190 million of that is in Illinois and Minnesota, with the Dakotas having another 150 million bushels.

With those figures in mind, I feel you need to watch for any solid opportunities that present themselves as we move forward and the focus shifts to uncertain spring weather and the overall acreage mix that normally puts a little steam into the markets leading up to the end of March planting intentions report.

You definitely need to be watching the new crop markets for those opportunities, putting some sales on the books as they cover the input expenses you'll have for the crop you'll be planting this spring.

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our extremely cold winter climate, causing severe fuel line and fuel filter plugging.

Here are a few suggestions to help you with your fuel tank maintenance program:

- * **Tilt tanks slightly** to direct water and debris away from outlet.
- * **Pressurize tanks** to keep vapor and air inside.
- * **Drain and remove** all contaminate every 3 months, or more often as needed.
- * **Install** proper filtration systems on bulk tanks.
- * **Replace** all filters according to manufacturer recommendations.
- * **Clean** pump screens regularly.
- * **Sample fuel** for quality assurance checks quarterly.
- * **Clean** tanks annually.

**Attention All Feed Customers
We Need To Receive A Minimum
24 Hour Advance Notice**

For All Feed Orders

*(Earlier Deliveries Will Be At
Discretion Of Feed Mill)*

**Orders For Same Day Delivery
Subject To A \$50.00 Surcharge**

The Marketing Minute

By Bill Dolan



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Anticipation of these major USDA reports always results in rhetoric similar in nature to a discussion of a much-anticipated sporting event, just like they've been doing with the Super Bowl lately.

Similarly, after **"the game"** is over and the winner determined, we engage in yet another round of rhetoric, resulting in the same feelings of disbelief, shock and disappointment if our "team" came up short.

On the other hand, we may be experiencing confidence, excitement and exuberance in knowing that our "team" won.

So it goes with the commodities of late. **Expect The Unexpected** should be the theme for the markets, since it's one we have been subjected to and have come to discover as **"normalcy"** in today's markets.

Certainly this won't last. Or will it?

I have been on this earth nearly half a century, and for the last 40 of those years I have had an opportunity to engage in an activity which I used to loath, but which in maturity have come to embrace.

That is the act of collecting **"parent material"** from areas that the glaciers many years ago decided where they belonged.

We always have a standing joke about the reproduction of said objects, but we have never been able to catch them in the act, so to speak.

But we know they are there and they multiply.

That is a fact.

So what do these, what some would simply refer to as **"rocks"** have to do with marketing, you may be asking.

Everything!

Think about it. If you arrive in a field and are overwhelmed by the **"population"** before you look across the entire field, you may become easily discouraged.

However, if you focus on the task at hand, namely the area you can see and easily cover, and you keep moving forward, you find yourself progressing and eventually completing the dreaded (or not) task of collection.

So it is in marketing.

One must break it down into smaller areas of collection, and keep progressing forward.

If your marketing is weighing you down and making you feel overwhelmed, why not give me a call and let us help you with your **"collection process"** so that together we can see if we can help you remove some of your marketing **'stones'**.

Remember, I make house calls.

COMMENTS

Continued From Page 1

matter.

The members of all three of the cooperatives involved in this process can therefore be very proud that their cooperatives are strong, viable and have entered into this process because they want to and because they see many positive benefits and advantages for all three companies, and for the members and patrons of all three.

The three cooperatives involved in this process are all dedicated to maintaining the spirit and the positive objectives that are the foundation of a local cooperative business, working with local people who share a common business philosophy, working within the local area and the local business communities to benefit the residents of the area in which you live and conduct your farming business.

Secondly, all three of the cooperatives have continued to demonstrate positive growth to keep pace with the changing and increasing needs of their customers, and with the changing and increasing demands of the markets and marketplaces in which we are now operating in.

All have added many of the latest custom application equipment systems that are available in the industry to address the steadily increasing shift to VRT applications and the many other advances in genetics and technologies that have entered into production agriculture in recent years, and with facili-

ties to keep pace with the increases in yields as well as the greater speed at which customers now plant, harvest and deliver those increased volumes.

As you know, over the past 13 years your cooperative has made significant additions and has committed substantial assets to enhance and improve the grain receiving, drying, storage and handling capacities and capabilities at all locations to keep pace with your needs.

And our strategic planning includes additional projects, while at the same time recognizing we must also address reducing our long term obligations for those projects so we can be in the best position take on new projects for the future.

The third issue comes down to the basic question: **Why change now?**

The answer to that is very simple. In today's world change is a constant and continuous process.

There is no longer the concept of simply maintaining the status quo or the notion of holding on to what one already has, because changing is occurring too quickly and on too many fronts, so to stand still is to fall behind.

Change is happening on your farms, at your cooperative, to businesses large and small in our small communities and in our major metropolitan ones, and throughout agriculture.

These are just some of the issues we have been discussing at the meetings and addressing during the course of this process, and I hope that you will give them your consideration as you evaluate these and other issues.

As I have said at the conclusion of other articles discussing this issue, if anyone has any questions at all about this matter, please do not hesitate to contact me or any of your Directors so that we can discuss them with you.