



First Cooperative Association

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Visit Our Web Site At: www.firstcoop.com

June, 2010



MANAGER'S CORNER

By Jim Carlson

General Manager

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SPRING WORK: We have had a tremendous spring season in FCA Country, with a good start, rapid progress and corn going in smoothly and quickly as April unfolded.

But just as April was ending, Mother Nature changed things around and conditions turned off cool and wet for a period, therefore getting the soybeans planted turned out to be much more of a struggle with the elements.

In fact, April weather was more like a "normal" May, and the weather for the first two-thirds of May was more like we "normally" receive in April.

It makes a person wonder: **Just What Is Normal Anymore?**

In the final analysis, however, I am sure all would agree that for the most part we have this crop off to a very good start, and we sincerely appreciated the cooperation of our customers throughout the big drive to get this year's corn and soybeans in.

There was very good communications between the customers and the FCA Agronomists that helped smooth the flow and to make steady progress each day we could be out there working in the fields, and we thank you for your continued support, business and for giving FCA the opportunity to be of service to your needs.

We have a long way to go until this crop can be harvested, of course, and so much can happen in the weeks



Construction is underway on a new 500,000 bushel steel bin at the Larrabee location of your First Cooperative. The addition of this bin will allow us to designate one of the smaller bins to handle beans in the fall so we'll be able to receive both crops more efficiently.

ahead, so I encourage you to continue working closely with our employees to maintain the momentum gained from this good beginning.

SUMMER PROJECTS: We are making good progress on the construction project that is taking place at the FCA Schaller location.

As discussed in my April newsletter article, this project involves construction of a new 100,000 bushel steel bin that will hold high moisture corn until it can be moved into a new 4,000 bushel per hour Brock tower style grain dryer.

We are also adding a 12,000 bushel per hour grain leg and a large dump pit that will be dedicated to handling corn as it arrives from your fields.

We'll also install additional grain conveyors to link these new assets to the existing grain storage and handling system at Schaller, and obviously this will greatly enhance grain receiving and handling for our customers.

Another project has been approved by your Board of Directors for this summer, this one at the Larrabee location where we will be putting up a new 500,000 bushel steel bin to store corn.

This new corn facility will allow us

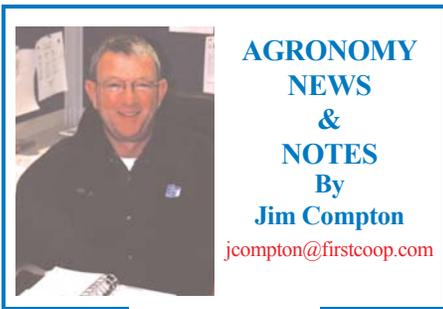
to use one of the smaller bins for soybean storage, therefore we will now be able to make full use of the large grain leg and receiving pit to handle both corn and soybean deliveries, enhancing the speed and efficiency of handling your crops as they arrive.

SCHOLARSHIPS: Since 1997 when the First Cooperative Association Scholarship Program was established, your co-op has awarded in excess of \$100,000 in scholarships to graduating seniors within our trade area.

As has been our custom in each June newsletter we are very pleased to introduce the 15 recipients that were each awarded a \$500.00 scholarship from the 2010 graduation class.

Many of these young people are entering agricultural related and rural study fields and intend to work in rural areas. This is part of a culture that is encouraged by First Cooperative with the hope of continuing and strengthening the rural economy in Iowa.

We hope all of you will join with us as we say **Good Luck and Best Wishes** in all of your future endeavors to these scholarship winners, and to all the young men and women in the **Graduating Class of 2010.**



**AGRONOMY
NEWS
&
NOTES
By
Jim Compton**

jcompton@firstcoop.com

We have had a very good spring season in FCA Country, with a tremendous amount of work being done very quickly and, for the most part, very smoothly as well.

There are always a few bumps in the road to every spring, and I'm sure we would all easily get spoiled if there were not an occasional obstacle to deal with along the way.

Having been through spring seasons that started late and which were a constant struggle with weather and field conditions virtually start to finish, we can certainly appreciate the way the spring season of 2010 unfolded.

What makes where we are today nearing the end of May even more amazing is to think back to where we all were and what was on most everyone's mind just 60 days earlier, with lots of snow still out there in many fields, cold temperatures, and the consensus of opinion that the crop would be planted late in 2010.

It just shows how quickly things can and do change, and as we reflect back on the past 2 months and all of the work that's been done, there is much to feel good about.

Here at FCA we had the new bulk fertilizer plant at Aurelia being put through the paces for its first busy spring season, handling the mixing, loading and application of P & K fertilizers for all of the customers served by FCA's Alta, Aurelia, Cherokee, Holstein, Linn Grove, Petersen and Schaller locations.

The new plant performed well in its introductory spring of service, as did all of the employees operating the plant, and we were indeed pleased with the way things went right out of the starting gate for this new plant.

As we entered the final week of May, sunshine and some very warm temperatures that pushed into the upper 80s and even touched the 90 degree mark in places have Made **Things Happen Fast** in your fields.

With the moisture that was supplied to the soils this winter, and

more recently in the early part of May, the corn crop throughout our area has really taken off nicely, and we're also starting to see some beans emerging and doing well.

Everyone knows that **Timing Is The Name Of The Game** when we are talking about spraying your crops, and with things happening so fast in the fields at this time, it will be very important for you to keep your FCA Agronomists informed and up to date as you work together to coordinate spraying products, programs and services.

The crop spraying season has become a very long and extended period of virtually continuous activity as we work to keep pace with the calendar, the rapid growth of the crop and the equally rapid growth of weeds that prosper from the same conditions favored by your crops.

The task is made more challenging as we are forced to deal with challenges from Mother Nature, the rain delays as well as the struggles with strong winds, both of which are increasingly frustrating, since while they keep us out of the fields, so much continues to happen in them.

This is what makes effective, timely communications and close cooperation between our customers and the agronomists so crucial during the long spraying season as we move from the post corn and pre-emerge soybean applications to post soybeans, then fungicides and, if our recent history is any indicator, moving next into spraying for soybean aphids and/or bean leaf beetles, and perhaps both.

The potential for these and other insects to pose a threat to your crops increases this year with the heavy snow cover that insulated the soils, which leads us to suspect larger over-wintering populations.

The role of scouting your fields thus also increases in importance, and you need to be monitoring the emergence, progress and performance of your corn and soybeans in

the weeks ahead so if there are problematic issues, questions or concerns, you can notify your FCA Agronomist at once and someone can come to look at your situation and discuss the options.

While our ground spraying equipment will undoubtedly be kept very busy in the weeks ahead handling your custom spraying needs, as the crop matures and grows beyond the height at which ground equipment can operate, we will once again have the aerial spraying services of airplanes and helicopters available to serve the needs of our customers.

As in the past, the demand for aerial services is expected to be heavy, therefore it is very important we try to make arrangements well in advance to line up pilots, planes and helicopters, and to have all of the field maps available and up to date for use by the pilots and ground crews so these spraying services can be handled smoothly, effectively and in the most timely manner.

Once again this year your FCA Agronomy Team has arranged for a number of corn and soybean comparison plots to be planted at strategic locations throughout our trade area so together we can evaluate the performance of the latest seed technologies and genetics.

It's only natural that the end results (yields) are the item most focus on after these plots are harvested, but there is in fact so much more the plots can tell us as the different varieties and hybrids respond and perform to on-going conditions from the time they emerge until they are harvested.

If you would be interested in monitoring how a plot or plots are doing in your area so you can compare what you see in the plots with what's happening in your fields, and perhaps to use those comparisons as a basis for future seed purchase decisions, get in touch with your FCA Agronomist for additional details on this year's plots.

**Advance Notice Of Holiday Closing
For The 4th Of July
Holiday Weekend**

**All FCA Locations Will Be Closed
SATURDAY-SUNDAY-MONDAY
JULY 3-4-5**

**Please Be Sure To Place Orders
In Advance Of The Long Weekend
To Assure The Most Timely Service**



CONGRATULATIONS TO FCA'S 2010 SCHOLARSHIP RECIPIENTS

Christopher Abbas



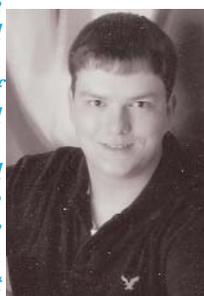
Christopher is the son of Jerry and Starr Abbas and a graduate of Laurens-Marathon Schools.

He plans to attend Iowa Lakes Community College and major in Criminal Justice.

Matthew Anderson

Matthew is the son of Charles and Marilyn Anderson and a graduate of Sioux Central Schools.

He plans to attend Iowa Lakes Community College to obtain a degree in Farm Equipment Technology.



John Bieber



John is the son of Jim and JoAnn Bieber and a graduate of Washington High School, Cherokee.

He plans to attend Creighton University to major in Biochemistry.

Chad Borchers



Chad is the son of Mark and Karen Borchers and a graduate of Galva-Holstein Schools.

He plans to attend Iowa Lakes Community College to obtain a degree in Ag Production.

Emily Bush

Emily is the daughter of Bryan and Lori Bush and a graduate of Marcus-Meriden-Cleghorn Schools.

She plans to attend Northwestern or Wartburg College to obtain a degree in Elementary Education.



Garrett Ehlers



Garrett is the son of Curt Ehlers and Tera Parks and a graduate of OABCIG Schools.

He plans to attend Wartburg College and as yet is undecided on his major.

Stacie Glienke



Stacie is the daughter of Brian and Cindy Glienke.

She attends Aurelia Community School and plans to attend AIB College of Business to major in Accounting.

Holly Hinkeldey



Holly is the daughter of Jim and Deb Hinkeldey and a graduate of Alta Community School.

She plans to attend Iowa State University, to major in Elementary & Special Education.

Kimberly Kenobbie



Kimberly is the daughter of Randy and Deb Kenobbie and a graduate of Laurens-Marathon Schools.

She plans to attend South Dakota State University to obtain a degree in Agricultural Education.

Andrew Koehlmoos



Andrew is the son of Doug and Lisa Koehlmoos and a graduate of South O'Brien Schools.

He plans to attend South Dakota State University to obtain a degree in Agronomy.

Lauren Meyer



Lauren is the daughter of Steve and Jackie Meyer and is a graduate of Galva-Holstein Schools.

She plans to attend Iowa State and major in Ag Studies.

Shelby Meyer



Shelby is the daughter of Jim and Amy Meyer and a graduate of Alta Community School.

She plans to attend Iowa Lakes Community College and major in Ag Production.

Daren Miller



Daren is the son of Terry and Nancy Miller and a graduate of Schaller-Crestland Schools.

He plans to attend Simpson College to obtain a degree in Art Education.

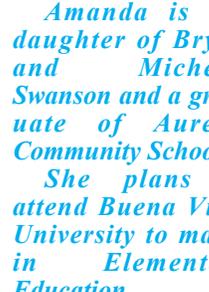
David Movall



David is the son of Steve and the late Connie Movall. He is a graduate of Sioux Central Schools.

He plans to attend Iowa Lakes Community College to obtain a degree in Ag Business.

Amanda Swanson



Amanda is the daughter of Bryon and Michelle Swanson and a graduate of Aurelia Community School.

She plans to attend Buena Vista University to major in Elementary Education.



**FEED
&
LIVESTOCK
NEWS**
By
Dwayne Naab
dnaab@firstcoop.com

PORK NEWS: In the notice at the bottom of this page we have included information for use by our pork producer customers who need site assessment or training for **Pork Quality Assurance Plus** (PQA Plus) certification.

FCA's Doug Davis is certified to provide both site assessment and training services to our customers, and he invites you to contact him at the number listed in the notice below if you have any questions or need to set up a time to have him stop by your operation.

Obviously, Doug also welcomes the opportunity to work with our area pork producers on any nutrition, management or other needs they may have, as well as to visit anyone who is interested in exploring additional opportunities in the pork production industry.

We've started to see the pork market bouncing back from what has been one of the longer down cycles in recent memory, and as things have steadily begun to improve in the pork sector, additional opportunities are now becoming available.

If anyone has an interest in exploring the different opportunities which are available, and/or if you are interested in or have questions about the various levels of ownership/participation that can be selected depending on your individual situation, please do not hesitate to **contact Doug at 712-229-2037**.

BEEF NEWS: As I'm sure all of our area beef producers are aware, FCA is very pleased to be an authorized supplier for **Quality Liquid Feeds** (QLF) protein supplements, and we handle the full QLF line of products to serve your beef operation.

QLF has protein supplements especially formulated to meet the needs of beef cattle in your feedlots, as well as the cows you have on pastures, and now is the time that you need so be paying close attention to the nutritional needs of cows.

Marc Hinners, FCA Beef

Consultant, is always anxious to **Talk Beef** with our area producers and to assist their operations with nutritional, management and performance questions, and solutions.

Marc also welcomes the opportunity to assist you with your cattle mineral products and programs, and once again FCA handles the full range of mineral products to meet the specific needs of beef cows and cattle, whether they're in the pastures or the feedlots.

June is here, and while there's definitely a lot of grass out there now, who knows what volume there will be later on in the summer, or what the nutritional values of that grass will be as summer heat and dry weather settle in.

Get your cattle on a sound mineral supplement program sooner rather than later, and Marc invites you to **contact him at 712-348-3695** if you have questions or if he can be of service to you and your operation in any way.



**THE
PETROLEUM
REPORT**
By
Jim Bieber
jbieber@firstcoop.com

FUEL NOTES: We had a very fast, busy and successful spring season, and we want to thank all FCA fuel customers for their timely calls to place orders that helped us coordinate the logistics of delivery to keep everyone well supplied with their needs as the big push to get this crop planted was underway.

Even though a lot of the tractors are still hard at work in your fields wrapping up spring work, your FCA Fuel Team is already looking ahead to fall, and during the month of June we will be coming out with our **Fall Diesel Contracting** program to give you an excellent opportunity to

get an early start on layering in your fall needs.

Last year we made a few changes in our **Fall Diesel Contracting** program that proved to be very well received by customers who told us they liked the added flexibility and convenience of having the same **3 Contracting Choices** as they have with LP Contracting.

We're offering those same 3 Contracting Options again for your fall diesel needs so you can choose:

- 1. 100% Pre-Paid Contract**
- 2. Maximum Price Contract**
- 3. Firm Booking, with a 20 Cents/Gallon Down Payment Required.**

As always, the customer's account must be current to participate in any of these special savings.

PROPANE NOTES: In the April newsletter we launched this year's **LP Contracting and Summer Fill Programs** a bit earlier than in past years, and this has turned out to be very well received by customers, many of whom have already ordered and locked in a significant portion of their needs for the 2010-11 fall/winter season.

Once again, the same **3 Contracting Options** specified above are available to contract your LP needs, and your FCA LP Team is ready to take your orders.

There is still one more month to receive the **10 Cents/Gallon Discount** if you place your order **before June 30th**.

The discount is **7 cents for July fills**, and **5 cents for August fills**.

This summer FCA will continue with our **LP Regulator Upgrade Services**, replacing all regulators that are in excess of 15 years old.

Letters will be sent to notify customers that their regulators need to be replaced.

Finally, please join me in welcoming **Kenny Stewart** to the FCA LP Team. Kenny will be handling LP Sales & Delivery in the Sioux Rapids area and can be reached at **712-363-0372 or 1-800-356-2667**.



**If You Need To Receive
PORK QUALITY
ASSURANCE PLUS
Site Assessment Certification Training
Contact FCA's PQA PLUS
Advisor Doug Davis
100 South Main - Aurelia
712-229-2037**



HEDGERS' HOTLINE

By
Randy
Dunn

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As we approach the end of May, corn continues to trade in a range between \$3.20 and \$3.50, where the corn has been since the January report, while soybeans seem stuck in a \$9.00 to \$9.50 range, where they've been the past 4 months.

The lack of major moves may be due in part to U.S. and world grain supplies being adequate for this year, and at least thus far weather hasn't been much of a factor.

Therefore traders have focused most of their attention on the financial markets and world events rather than bother with the grain supply and demand fundamentals.

This might actually be a good thing, as corn and soybean supplies are large enough that we probably wouldn't have prices as good as they are today if traders were concentrating on this year's grain surplus.

Where prices go from here is anyone's guess, and as always, weather will become more of a factor as we get into July and August.

There are, additionally, several on-going world situations that could have a major influence on the value of our crops.

Demand has remained pretty good, however world financial problems, particularly in the EU and

Greece, along with heightened political tensions between North and South Korea are very troubling.

China has recently purchased several shiploads of U.S. corn for feed needs, although they continue to claim they have plenty of corn.

It that's true, then why are they buying our corn, and why is the domestic Chinese corn price nearly double the U.S. corn price?

Thus far the Chinese corn purchases have amounted to only 30 million bushels, so the real question is: **Will They Buy More?**

However, when we consider the fact that our corn surplus will be close to 2 billion bushels at the end of this marketing year in August, Chinese corn purchases to date won't make much of a dent in our surplus.

At the bottom of the page are 2

charts showing seasonal price tendencies for corn and soybeans, and baring a late summer weather event, history indicates both crops hit their price peaks the first week of July.

LOOKING AHEAD: Thanks to last year's record corn crop we will have significantly more corn in storage going into harvest, and if we would happen to have another corn crop anywhere close to last year's, the entire northwest Iowa area will be facing major storage challenges.

A lot can happen, of course, but in a worst case scenario I could see some percentage of the corn crop having to be sold in order to make a delivery to area elevators.

If you are unable to store your crop at home, I feel it would be wise to have a good volume of it sold before you start delivering corn in the fall.

Chicago Board Of Trade Seasonal Grain Trends

