



First Cooperative Association

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MANAGER'S CORNER

By Jim Carlson

General Manager

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The spring season of 2009 will be arriving very soon, and I am sure all of us are anxious and excited to get started on a new season and get back to doing the things in life that we do the best and enjoy the most.

Your First Cooperative and all of its employees are ready to be of service to you, and all of them have been working hard to plan and prepare for a busy season and the challenges that await to help everyone keep pace with the clock, the calendar and Mother Nature to get this crop in.

First Cooperative has outstanding equipment assets that you can rely on to complete many tasks, such as tool bars and nurse tanks, plus custom application machines featuring the latest in technologies and design to cover the maximum number of acres efficiently and effectively for you.

Over the years we have continued to upgrade and expand these assets to meet the increasing demands of our customers, along with upgrading our facilities to handle the crops you produce, all in the most timely and efficient, convenient and reliable manner.

But while these concrete and steel assets are both valuable and vital in helping us to serve your needs thoroughly and effectively, the greatest asset we bring to the table each season, and certainly the most important and also the most valuable assets we

Best Wishes For Your Retirement Years

Butch Ball - Paul Braunschweig - Bob Nelson

Over the past several weeks these three men have reached their retirement age and have completed their careers as employees of your cooperative.

Butch, Paul and Bob have been loyal, dedicated employees who have provided quality service to the cooperative in handling their customer service duties over a combined 53 years, and we ask you to join with all of us in thanking them for their years of service and in wishing them all of the very best for their retirement.

Each year we have one or more of our long time employees reach the end of their working careers and who retire so they can begin a new chapter in their lives. This creates opportunities to bring in new men and women to fill the roles of these experienced employees in serving your needs as they have, with quality and a dedication to customer service second to none.

have to serve to you are the dedicated employees who work for and with you.

First Cooperative has 115 full time employees and, during the most hectic times of the year, an additional 30 to 40 part time people who handle the full spectrum of customer services we offer, from loading your feed to unloading your grain, from helping you plan crop and livestock production strategies to applying fertilizers and chemicals, loading nurse tanks, and assisting you with marketing strategies to merchandise your crops.

They are the agronomists, custom applicators, beef/pork specialists, delivery men, office support, staff and administrative men and women all of whom have a common commitment, **To Serve You, FCA's Customers**

You know many of them well from the regular duties they handle when they serve your needs. Others you may not know by name, and still others you may never encounter, and yet all fulfill an essential and pivotal role as a part of a total team effort that is focused on **Outstanding Customer Service.**

We are proud of all of FCA's employees, not only for the roles and responsibilities they have assumed in serving the cooperative and the customers, but also for the many contributions they make in their communities.

We have many employees who serve as members of local community volunteer fire department and/or res-

cue units, many who serve in numerous community civic roles, on school and church boards, who take an active role in youth programs or who serve on one or several boards or committees that provide vital services to their community and to local area residents.

In a recent article written by Tim Gallagher of the Sioux City Journal, Alice Wetherell of Cleghorn and her fellow volunteer rescue co-workers were featured for their role in saving a young man's life.

That same event was also written about in the Cherokee paper, which also discussed how local volunteer fire departments are there to perform in numerous local emergencies, some of which are unfortunately extremely tragic and pretty gruesome.

All these people give of their time, talents and of themselves to be of service in so many ways, and often their contributions go unnoticed and/or are thankless. And yet they are so necessary and vital to the very fabric of our communities and to our rural society.

Take time to get to know these men and women as you have an opportunity to come into your local offices, and you may be surprised to learn they are serving you, your family and your community in many more ways than just loading your feed, handling your grain, or serving your needs in any of the numerous capacities that their FCA responsibilities include.



**AGRONOMY
NEWS
&
NOTES
By
Jim Compton**
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There has always been more involved in the decision making process when choosing a supplier than the price that a particular product or service is sold for, at least for the customer who is looking for value, for a long term commitment and for quality service to accompany the price that is paid.

Those three basic ingredients have always been included with every transaction that you have entered into at First Co-op, since they are what have made this cooperative grow, they are what have made this cooperative become a dependable, lasting supplier in the marketplace as well as in the communities and at the farming operations surrounding them, and because they are what adds value and worth to every purchase you make today, tomorrow and for the future.

These are not trivial values. They are important ones. They are the cornerstone of the commitment this cooperative has made to each and every farm and farmer it serves, a commitment that declares we will always do our best to give you the highest quality products and services at the most competitive price, the most timely, efficient service for your specific needs whatever they may be, and that we will have dedicated, experienced and quality people to serve and assist you at all locations and in all areas of responsibility.

In today's challenging economic times, there may be even stronger temptation to disregard these added values, to devalue their worth, or to even sacrifice them completely and pay less.

But if the supplier you choose offers none of these added values, offers no lasting commitment that goes beyond the time when your check clears and the funds are transferred from your account to theirs, offers no service before or after the sale, no back up if you have questions later on, and little or no recourse if you're not satisfied, are you really saving money?

As your full service cooperative we're dedicated to giving every customer **Full Service** with each and every purchase made, and **Full Value** for the price you pay.

That has always been what our customers expect of us, what they demand from us, and what they can expect to receive when they select First Co-op to be their supplier of quality products and services with full value and worth in the price.

SPRING PLANS: As we all know, a sizeable volume of work that farmers were unable to complete last fall is being carried over into this spring, thus what is always a very busy, hectic and jam packed season has been made even more so by the volume of work that needs to be done.

Since no one has yet come up with a way to add hours to the day, days to the week, or weeks to the spring season, there is even more emphasis that needs to be placed on having all plans and preparations firmed up and finalized in advance.

That way instead of using valuable time talking about what needs to be done, evaluating different choices, placing orders, coordinating schedules and putting together all the logistics of moving manpower and equipment when the fields are fit and work is ready to start, we can all actually **Be Out There Working!**

Elsewhere in this issue of the newsletter I have once again included a basic **Check List** of some of the main items that you need to have taken care of in advance to help smooth the transition into an all-out push to get the most work completed in the most timely and efficient manner once we're able to get started on this planting season.

While all of these different **"Things To Do"** are important, and certainly all will be a huge help to everyone if we can have them all checked off as **"Done"** before work gets underway, there's one that is

especially important.

I refer to the **"Maps Updated For All Spring Services"** item, since as more and more of our area's crops are planted using the Roundup Ready and/or Liberty Link technologies, the value and importance of knowing what is planted and where takes on greater significance in what will be a very hectic and busy spring.

This is by far the safest, surest and without a doubt the easiest way to prevent spraying the wrong crop with the wrong herbicide, so be sure we will know what you plant and where, and of course be absolutely sure you keep complete, accurate records so we don't have to rely on memories or recollections.

It was great to get a head start on dry fertilizer in February, and I know we're all hoping this is a sign of an early spring, since that's going to be needed as we tackle a big workload in the coming weeks.

As always, **Good Communications Between Us** from start to finish is the key to keeping everything flowing smoothly each day, so keep in touch with your FCA Agronomists to make sure we are aware and up to date on your progress, which enables us to better coordinate the products and services you need next.



**FEED
&
LIVESTOCK
NEWS
By
Dwayne Naab**
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BEEF NOTES: It's essential for cows to receive adequate energy, protein, vitamins and minerals since the cow not only needs her own level

PRODUCER NOTES
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**Start Your Spring "Things To Do" List Now
So You'll Be All Set For Spring To Arrive**

Item	Check When Done
Pesticide Applicator License Renewed	<input type="checkbox"/>
License Number On File At FCA	<input type="checkbox"/>
Current FSA Maps Delivered To FCA	<input type="checkbox"/>
Maps Updated For All Spring Services	<input type="checkbox"/>
All Custom P & K - NH-3 - Spraying Orders Finalized	<input type="checkbox"/>
Acres/Fields & Services Scheduled	<input type="checkbox"/>
Seed Pick Up Or Delivery Lined Up	<input type="checkbox"/>
NH-3 Equipment Needs Arranged	<input type="checkbox"/>



**THE
PETROLEUM
REPORT**
By
Jim Bieber
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If you haven't already started filling your on-farm fuel storage, I suggest now is the time to move on this all-important task.

The off-the-truck price for diesel is currently running at an advantage over the contracting price, so there's no time like the present to take advantage of this situation as you lay in an inventory to start out with.

Our fuel market, grain markets and the financial markets are all mirroring one another in their movements, so it will take a sustained push by the U.S. and world economies to strengthen the financial market's environment and thus give a shove higher to fuel, energy and grain prices.

The significant deterioration in demand has allowed fuel inventories to build heading into spring, thus the normal upward price movement caused as demand increases once planters start to roll may not be as predictable as in past years.

By the same token, the extra heavy workload that such a large portion of the Grain Belt faces as spring arrives, coupled with the potential for work to get underway north to south and east to west at pretty much the same time, could spell some tight times at the sources of supply.

Thus it remains very important this year as in past years to keep a close watch on your farm's supply as work intensifies, and to avoid letting your inventory dip too low before placing an order for fuel delivery.

This allows us to plan and route delivery by areas for maximum efficiency to keep you and your neighbors well supplied and rolling strong all season.

CARD-TROL UPGRADE: We have just received Board of Director approval for a major upgrade to the Card-Trol pumps at the Sioux Rapids location, and work will be underway this spring on this project.

We'll be installing a new **"Blend Pump"** that will allow the customer to select E-10, E-85 or a blend of E-

10 and E-85 that is equivalent to an E-30 ethanol product.

This is the first **"Blend Pump"** in Buena Vista County, and is one of only 10 of its kind in Iowa.

Diesel pumps for both on road and off road diesel products will also be installed.

PRODUCER NOTES
Continued From Page 2

els to be maintained, she needs even more because she is supplying all of those essentials to her calf.

FCA features the **Rangeland Complete Beef Mineral** program and the high quality mineral products that are included in it to serve the needs of our local producers, and I encourage you to visit with your Location Manager, or to talk to **Marc Hinners, your FCA Beef Consultant**, about all of your mineral needs as we enter the season when supplying the proper minerals to your cows is so important.

Among the mineral products you will want to be sure to stock up on early are the minerals that are fortified with magnesium for the prevention of grass tetany, which is a threat in the early spring as pasture green up and grow so rapidly that they can become deficient in magnesium.

You'll also want to get an early start on fly control, and the **Rangeland Complete Beef Mineral** program also includes products that will help you get one step ahead and stay one step ahead of fly populations before they have the chance to become established.

And while you're talking to the Location Manager or Marc about your mineral needs, be sure to visit with them about the upcoming **Calf**

Creep Booking program that we will be announcing for this season, which will once again give you the opportunity to lock in your calf creep needs in advance to save on those products.

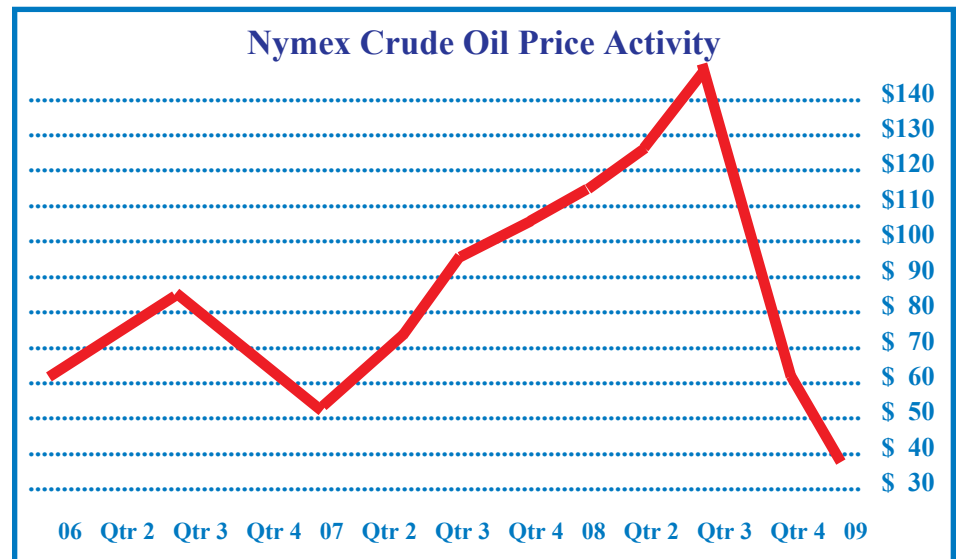
Give Marc a call if you're interested in our **Rangeland Beef Mineral** program/products, the upcoming **Creep Feed Booking**, if have any questions and, of course, if he can be of any additional service or assistance to you with any segment of your beef operation.

CALL ON US: While we have seen input costs easing back some for all livestock operations, beef as well as pork, they have still not retreated to the levels that we were at when the entire marketplace erupted last year, and producers are still feeling the long lingering impact from their significantly higher input costs of 2008.

Both Marc and **Doug Davis, FCA Swine Consultant**, have continued to work very closely with their customers to seek out ways to control costs, cut excess spending, to eliminate waste wherever possible, and to implement changes when and where they could be used without having a negative impact on performance, gains and efficiency.

Every operation is as different as every producer who owns it, and these men have the background and experience to focus directly on each producer's specific needs, and to identify each operation's potential strengths and weaknesses so they can provide the best possible service.

Please continue to work closely with these men and with the FCA Feed Team to address your operation's needs and how we can best serve you in the future.





HEDGERS' HOTLINE

By
Randy
Dunn

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It looks like our grain markets are back to following the financial and crude oil markets for a while, and following them very closely, I might add, however in the current economic environment, that is not necessarily a good thing.

January brought a temporary boost in both corn and soybean values based on dry weather in Argentina.

As with all "droughts" that take time to develop, when their moisture situation improved with a few timely and well placed rains, our latest price decline started.

Unless we develop our own adverse weather situation some time this spring or summer, I'm afraid we could be looking back on January as among the best selling opportunities the market gave to us for the coming year.

The overall ethanol situation also looks fairly grim for the foreseeable future, at least, with many ethanol plants ceasing operation and others filing for bankruptcy.

Most of the plants still operating have slowed their production rate to where they can still gain maximum distilling efficiencies, and are thus running at 75% to 85% of their maximum production capability.

One recent estimate claimed more than 20% of the total ethanol production capacity in the United States is currently sitting idle, and with today's corn and ethanol prices calculating out to around break even for ethanol producers, that probably won't bring any of the idle production back on line any time soon.

This is obviously not a positive development for corn prices as we move forward into the planting season, and indirectly it also takes a toll on soybean prices as well.

With this slowdown in the ethanol business, the USDA's corn usage projections won't be reached and we will reduce the need for a bumper corn crop in 2009.

Already we're seeing reduced corn demand and higher fertilizer

prices pushing more acres to soybeans, which in turn is bringing pressure to bear on new crop soybean values.

Some analysts expect an additional 3 million acres, or more, will be planted to soybeans this year, and with even an average growing season these additional acres could push the U.S. soybean supply up to levels last seen when bean prices were below \$6.00 per bushel.

The only **Wild Card** in the deck, besides weather, that could bring about better grain prices would be an upturn in the world economy, which would increase oil prices and thus allow grain prices to follow along.

Your guess is as good as mine as to when or if that might happen in the foreseeable future, and even when we do start to see signs of improvement in the world's economy, I do not anticipate we will see grain prices return to any where near the levels we saw them at last July.

That was certainly a clear lesson in how high prices can cure high prices.

ELECTRONIC GRAIN SALE OFFERS: Many of you have used our **Strategic Hedge** grain selling program in the past, which has proven to be a great tool for establishing an average price over a specified period of time.

Strategic Hedge has also been especially good for getting **Target Prices** filled on the nightly trading session, something that might not have been possible during the regular daytime trading hours.

We have now added another fea-

ture to **Strategic Hedge** that allows producers to electronically enter sell orders into our system at any time of the day or night.

When you log on to the selling platform, our bid sheet is displayed and you can enter offers to sell any quantity at any price for any month on the bid sheet, and for any of our locations.

Once you have entered a sell order, we are notified and will send a confirmation e-mail back to you.

Orders that are received after 5:00 p.m. will not be in effect until the following morning's trading session starts at 9:30.

If you are interested in placing electronic sell orders, sign up on the grain page of our web site grain at www.first.coop and click "**Online Grain Offers**" on the left side of the page to fill out the registration information.

Please do not hesitate calling me if you need any assistance.

In addition to our own **Strategic Hedge** program, your cooperative is also participating in the **Market Point** program being introduced to their customers by Pioneer Seeds.

Their program works in much the same way as our **Strategic Hedge** program, however at this time **Market Point** is taking sell orders for corn only in 5,000 bushel increments, and soybean trading is not yet being offered.

Market Point is administered by Pioneer Seeds with your First Co-op locations serving as delivery destinations for this program, and you can also feel free to contact me if you have questions or need assistance with this program.



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