



First Cooperative Association

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Visit Our Web Site At: www.firstcoop.com

September, 2009



MANAGER'S CORNER

By Jim Carlson

General Manager

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The FCA trade area has experienced a very favorable growing season in 2009, and as we enter the month of September I feel we have one of our finest looking crops coming on, one that has a very good potential to set some new all-time records for many of you.

We had a good crop in 2008, and of course most of you can point to the 2004 crop as one of your farm's very best. And yet there is every indication today this year's crop could very well top the crops of both of those years.

A big crop is always a tremendous blessing, since extra bushels in the bin go a long way to help compensate for lower market values.

But a bigger crop also presents everyone with additional challenges to harvest, handle and to find room to put the crop away into storage.

And since no one has yet invented a method to extend the numbers of hours in a day, the number of days in a week or weeks in a fall season that always seems too short in the first place, there are always added pressures to face with a bigger crop in the fields.

With that in mind, we appeal to all of you to be extra careful, cautious and safe in your work, since the long hours and a long harvest are the key ingredients that can lead to accidents and injuries.

Don't become the next farm accident statistic. **Be Safe In Your Work!**

Yet an additional challenge that looms on the horizon entering fall comes from the cooler, wetter growing season



We Invite FCA Patrons & Linn Grove Residents

To Join Us For As We Introduce The New

LINN GROVE OFFICE/WAREHOUSE/SCALE OPEN HOUSE

Wednesday, September 23 - 11:00 To 2:00

Join Us For A Lunch & Tour Of Your Fine New FCA Assets

slowing the normal maturation process of this year's crop, increasing the possibility there will be more corn coming out at higher moisture levels and therefore requiring additional drying.

This year FCA has continued with its on-going efforts to improve and enhance grain drying speed, capacities and capabilities, with the addition of new 4,000 bushel per hour grain dryers that have been installed at our Cherokee and Marcus locations, which are pictured elsewhere

These are the latest steps in this process, and they bring us to a total of 6 new dryers of similar size and capabilities that have been installed in recent years to help FCA serve our customer's grain drying needs in the most timely and efficient manner.

Another summer project recently completed has been the installation of a new 14' by 80' scale along with a new office and warehouse facility at the FCA Linn Grove location, the Open House for which will be held September 23rd.

We hope to see a good turnout of the members at this Open House to see this fine new asset which represents FCA's on-going commitment to improve its image and that of the communities in which we operate facilities by removing older, outdated and unused structures

and, in many cases, replacing them with new, functional facilities to serve customers in those areas.

The new scale will certainly improve access, maneuverability and speed scale operations for today's larger delivery equipment, since the old scale typically required many loads to be split and weighed separately.

YEAR-END: FCA completed its 2008-09 fiscal year on August 31st, and while the auditors have not yet presented the Board with the final details, it appears this year will be one of record sales and savings for FCA.

This is something all members can be very pleased and proud to have been a part of, especially given the economic challenges and dramatically fluctuating values we have experienced in our volatile markets and marketplaces for all commodities and production inputs.

The complete details of our year will be reported to you at this year's Annual Meetings, and this year there will be two separate meetings held, the first at the K.C. Hall in Storm Lake on November 18th, the second at W.I.T. in Cherokee on November 19th.

Details of each meeting will be mailed along with the official notices and ballots to be used in this year's Board of Director election.



**AGRONOMY
NEWS
&
NOTES
By
Jim Compton**

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Thinking back to how the situation was when I put the previous newsletter article together in early June, our area was in the midst of a modest early season dry spell.

Although it had enabled everyone to get the crops planted on time, and in many cases even earlier than normal for our area, there were starting to be a few concerns about the lack of progress the crop was making at emergence.

No doubt about it, we were needing some rain, and ***Mother Nature Delivered!***

What has followed through June, July and August has been one of the most remarkable and most favorable growing seasons we've had in many years, certainly one that ranks among the best ever.

As a result, we start the month of September with prospects for this year's crop to be a very good one and, dare I risk saying it, perhaps even an exceptional one with some totally unheard of projections for corn yields already being whispered.

Only time will tell, of course, if we do come close to those fantastically high yield numbers some are anticipating, but barring any totally unexpected and rare developments, our crop this year appears likely destined to rank right up there with the all time biggest ones for many farmers.

With those prospects in mind, and I am sure all of us hope they do occur, I firmly believe that it will be an absolute must for all of you who get these big yields out of your fields to take a very, very close look at your soil test and grid sample information as you make plans and decisions for the 2010 crop.

I don't think there is any question in anyone's mind that the potentially huge crop we have coming on strong at this time has pulled out and used up a sizeable chunk of crop nutrients from the soil to fuel positive crop performance and to manufacture those big yields.

And you know as well as I do that last fall, and again this spring, there

were many farmers who were facing soaring prices for N-P-K, which were in some cases double or even triple those of recent years, and who made tough decisions to hold back on the rates applied as much as possible to manage their costs.

Their ability to do so without also sacrificing yields in the process was made possible thanks to the aggressive fertility strategies those farmers had followed in previous years to steadily build up the nutrient analysis of their soils, so that in most cases the fertility levels they planted the 2009 crops into were already in the high range.

In the past we've compared this strategy of building the nutrient value of the soil profile to putting a little extra cash into an emergency fund savings account each year so there would be something in the bank a person could turn to and draw upon to carry them through when some tougher, tighter times arrived.

Well, this past year we certainly have had both the tough economic conditions and the high nutrient price challenges to make those savings in the bank come in handy to carry us through, and those higher nutrient values in the soils pay off to carry our crops through.

But just as it's necessary to replenish the emergency funds in the savings account because we've depleted its contents, so too is it absolutely essential that we take advantage of the lower prices we now have for crop nutrients to begin replenishing the soil nutrient account our crops need to rely on.

It all starts with ***soil testing and/or grid sampling*** and, as I have said in the past, when you grid sample to identify both the high and the low testing areas for P & K that occur within a field, you are taking the next positive step to fine-tune P & K applications to put the right rates in the right places to enable your crop to get the full benefit to

perform and yield to its maximum genetic potential, and all at the most economical cost for you.

Since it would appear at this time the start of harvest could be delayed a bit and, with the potential of a huge crop and perhaps additional drying to be done if corn does come out at higher moistures, the likelihood of harvest stretching deep into the fall means ***Time For Fall Work Will Be Tight!***

I therefore encourage you to ***Talk To Your FCA Agronomist Now*** about soil testing and grid sampling needs, and while you're at it, it would be a huge help to plan and schedule fall lime, P & K applications, and to also visit with us about our custom NH-3 application services as well.

We want to get started on this work for you as soon as possible.

With P & K it can be as soon as you have finished combining a field, and for NH-3 it will be just as soon as we can get in with N-Serve and NH-3 to apply.

The window of time for all of this work could be a very narrow one this fall, so we definitely don't have the luxury of additional time for this work to be planned, scheduled and to progress very far if we don't get the ball rolling on all of these services right now.

I also hope you'll talk to your FCA Agronomist about your 2010 seed needs, since there are some tremendously exciting new things coming along for this next season, and as you saw at the ***Plot Tours*** recently, the technologies we can use in 2010 are at the cutting edge of crop production as we know it.

As always, the best selection and savings are available to those who order early, so if you have numbers you know you'll want to put into your planter next spring, get your name on the supply you'll need early to lock in your top choices and to get the best price on them too.



Thanks To All Who Attended The Open House At FCA's New Bulk Fertilizer Facility On September 2nd



FIRST COOPERATIVE ASSOCIATION GRAIN POLICIES 2009



Deliveries must be settled within 10 days of unload date or grain will be charged storage beginning on the 11th day at a rate of 1/5 cent per bushel per day (6 cents per bushel per month) for the next 90 days, and 98.4 thousandths of a cent per bushel per day (3 cents per bushel per month) thereafter.

WAREHOUSE RECEIPT & OPEN STORAGE CHARGES

18-Cent Minimum For the First 90 Days

98.4 Thousandths Cent Per Bushel Per Day (Equal To 3 Cents/Month) After 90 Days

Warehouse Receipt & Open Storage Charges Will Be Billed Quarterly

(December 31st * March 31st* June 30th * September 30th)

GRAIN BANK STORAGE RATES

First 90 Days No Storage Charge

98.4 Thousandths Cent Per Bushel Per Day (Equal to 3 Cents/Month) After 90 Days

Grain Bank Sold Will Revert To Open Storage Rates

GRAIN BANK IS INTENDED FOR FIRST CO-OP FEED CUSTOMERS

Corn taken out of Grain Bank must be mixed with protein supplement. Shelled corn hauled out will be charged regular open storage rates.

PRICE LATER

Price Later Service Charge is 18 Cents Per Bushel For First 90 Days

83.33 Thousandths Cent Per Bushel Per Day (Equal To 2.5 Cents Per Bushel Per Month) For Next 5 Months

With A 30.5 Cent Maximum Until August 31, 2010

All Price Later Contracts Expire August 31, 2010

Producer Must Be Informed That Once Price Later Contract Is Issued

No Warehouse Receipt Or Other Storage Disposition Can Be Made

CORN

Moisture Will Be Averaged Up To 10 Days After the First Day Of Delivery

14% On Warehouse Receipt - Open Storage - Grain Bank

15% On Price Later Contracts Or Sold

1.50 % Drying & Handling Shrink On Wet Corn Per Point of Moisture Removed

MOISTURE DISCOUNT IS \$.045 PER POINT OF MOISTURE REMOVED

Drying Charges Are Subject To Change Without Notice

F.M. Discount Is 2 Cents Per Point Over 3%

Test Weight Discount Rate Is Cumulative

52.9 To 51.0	=	.01/Bu Lb.	48.9 To 44.0	=	.05/Bu Lb.
50.9 To 49.0	=	.02/Bu Lb.	43.9 And Below.	=	.10/Bu Lb.

DAMAGE DISCOUNT

1 Cent Per Point 5% To 7% Damage * 2 Cents Per Point 7% And Above

CUSTOM DRYING CORN

Corn will be deposited into Grain Bank and dried to 14.0% moisture. We guarantee under 15% corn going out. Corn must be hauled out in 5 days or regular open storage charges will be applied, including the 18-cent minimum.

SOYBEANS

Moisture Requirement For Soybeans Is 13%

MOISTURE DISCOUNT IS \$.045 PER POINT OF MOISTURE OVER 13%

1.5% Drying & Handling Shrink Per Point Of Moisture Removed From Wet Beans

DUE TO THE HIGH COST OF SHRINK, SOYBEAN LOADS WILL NOT BE AVERAGED TOGETHER

ANY DISCOUNTS WILL BE CALCULATED ON A LOAD-BY-LOAD BASIS

15% And Over Beans Are Subject To Refusal

Musty Discount Is 5 Cents/Bushel * Sour Discount Is 10 Cents/Bushel

No Storage Charges For The First 10 Days After Unload Date; Thereafter

Storage Is Same As For Corn (1/5 Cent Per Day For First 90 Days, .03/Month Thereafter

See Back Of This Page For FCA Grain Handling Policies



GRAIN HANDLING POLICIES AT FIRST COOPERATIVE



As we all realize, this fall will be an extremely busy and hectic time for all. The policies at all FCA locations for operating at a smooth pace during harvest are being addressed below, and we encourage you to please take note of these policies, including those changes which have been made from previous years.

1. Due to the volume of grain coming in daily, please have all signs designating grain ownership visible. If it is a new split for landowner and tenant this year, please inform the office before harvesting so new customer identification can be loaded into our computer system.

Also this year you may need to have fields identified for insurance purposes. If you wish to have your tickets marked for this purpose, let us know before you begin bringing in grain for that field so we can mark your ticket accordingly.

2. Regarding delivery sheets needed at the FSA offices; you will be given a delivery sheet when grain is settled. You may also request a copy of the delivery sheet when you're completed with delivery.

PLEASE KEEP THESE PAPERS!

3. If you wish us to fax delivery sheets to the FSA office, remember that FSA must have a signed Form 237 on file (Signature Authorization Form). **We will not automatically fax delivery sheets** - customer must request this when done if they are not taking them directly over to FSA.

4. FCA is not responsible for ownership distribution splits. YOU are responsible for ensuring FSA has the correct paperwork and documentation to process your claims.

5. Dump hours will be posted and strictly adhered to.

6. The driver leaving the grain dump (empty loads) has the right of way to the scale first.

7. Please remove side gates from wagons to prevent injuries. If not able to remove them, tie them securely.

8. Make sure all end gates open freely.

9. Curving the corners in trucks will allow grain to move faster.

NOTE

The policies and procedure above are designed to help make the season go as smoothly as possible for the customer, the employees of First Cooperative Association and for the people of your local FSA office. We appreciate and thank you in advance for your cooperation.

HAVE A SAFE HARVEST SEASON



**FEED
&
LIVESTOCK
NEWS**
By
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Quality Control Part 1 DELIVERY

There are numerous procedures that are followed to assure quality control in the manufacturing and delivery of feed for the livestock operations we supply and serve, and this month's article is the first of a two part series that will explain some of those procedures to you.

For one thing, we maintain a detailed record of every load of feed hauled out of the Larrabee feed mill.

Those records include: the name of the customer, the specific ration and any medication included in it, the bin the feed came from at the mill, the truck compartment number(s) the feed went into, the order that the feed was unloaded and to which bulk bins it went into, and whether or not we had to flush the truck.

These records are reviewed and audited by our **Quality Control Department**, and are retained at the mill for a period of one year.

We also sample every load of feed and retain those samples for four months. Thus if there is a question about any batch of feed, we would be able to have the retained sample tested at the lab.

We also randomly send four samples of feed per month into the lab to verify we have delivered a quality product.

We use several different types of feed medications at the mill, some of which have varying withdrawal times, since as most are aware, certain medications need to be removed from a feed for a specific number of days before the animal can be marketed.

To ensure that we do not contaminate a hog that is due to be marketed, and that we do not give some animals any of these medications at all, we follow several rigorous guidelines with feed medications.

First of all, we always try to schedule (or sequence) loads so that if we do have a feed with a restricted medication, we are able to follow it with a feed for a similar sized animal that

does not have a medication in it.

If we can not sequence, then we need to "flush" the auger system on the truck, which means when we finish auguring a restricted feed into a bin/feeder we shut off the delivery auger and open the next compartment to allow "clean" feed to be augured to the back of the truck.

When the auger in the bottom of the truck stops, we then turn on the delivery auger and run a little more of the "clean" feed into the bin on top of the restricted feed.

This process assures that all of the restricted feed has been cleaned (flushed) from the auger system.

When necessary, or when a customer requests it, we wear disposable boots on the site that we deliver feed to for bio-security measures.

We also provide time for our drivers to wash their trucks to maintain a clean and also a professional image for you, our customers

Also, we have recently come to an agreement with O'Halloran's in Cherokee to provide service and maintenance to our feed delivery fleet.



**THE
PETROLEUM
REPORT**
By
Jim Bieber
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We want to thank everyone who was able to attend the **Grand Opening of the Newly Remodeled E-85 & Bio-Diesel Station** at our Sioux Rapids Card-Trol.

This facility is **The First Of Its Kind in Buena Vista County** fea-

turing your choice of four grades of ethanol gasoline products (E10 E20, E30, plus E85 for flex fuel vehicles) along with B2 Bio-Diesel.

Looking ahead, fall harvest will be here soon and we hope you have or soon will get your farm fuel storage filled to the brim prior to starting on your harvest and field chores.

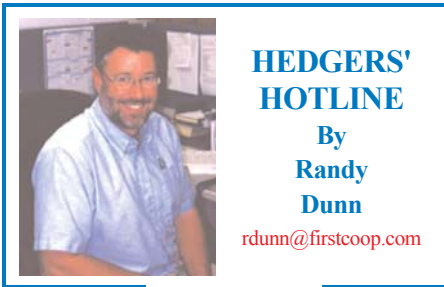
I also hope if you dry grain on your farm that you have had your farming operation's grain drying system checked over to be sure it's ready to perform at peak efficiency, and of course that you've ordered your dryer fuel from us so you'll be ready when those first loads need to be dried down for storage.

Also, since you have the time now and once harvest gets here you won't have much, if any, check your L.B. White heaters to be sure they're ready to provide safe, efficient and dependable heat for your shop and livestock buildings.

We all know cold weather will be here before harvest is over, and taking care of these things now means your work won't be interrupted to do them later.



The newly designed fuel pumps installed at the FCA Sioux Rapids location have enhanced the overall appearance of the facilities, and as the top photo shows, now give the customer a choice of 4 grades of ethanol plus B2 bio-diesel.



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Cherokee, Iowa 51012

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ADDRESS SERVICE REQUESTED

As this issue goes to press just before Labor Day, the corn and soybean crops are slowly making their way to maturity. At this point of the season about the only weather factor left to influence crop prices would be an early freeze.

With the lack of heat in July and August, an early frost could cause some crop damage in many areas across the Grain Belt.

The Dakotas, Minnesota and Wisconsin, along with parts of eastern Iowa and Illinois had delays getting the crop in, and those areas could ill afford much cold weather before mid-October.

The **“normal”** first freeze date for our area of northwest Iowa is October 10th, and I think if we can make it until then, our crops would mostly be out of any danger.

As of September 1st there’s not much concern from most weather forecasters about a freeze in the foreseeable future, but we all know that could change at any time.

Even if we were to get a mid-to-late September freeze, history tells us that frost rallies don’t usually go very far or last very long.

If, on the other hand, we assume a normal growing season ensues, here are some of the things I am currently hearing from most of the grain traders.

The corn crop will be record-large, possibly a lot larger than the 160 bushels per acre national average yield that was raised in 2004.

Some traders are tossing around thoughts that the national average could push as high as 170 bushels per acre, or more, and from the looks of our crop locally, I feel that may indeed be possible.

I have been hearing yield checks ranging all the way from 220 bushels per acre to an astounding 300 bushels per acre right here in our trade area.

Last year Cherokee County produced a record corn crop with an average yield of 196 bushels per acre, and for the most part we were able to get through last harvest in

pretty good shape.

I am afraid, however, this year could be more of a struggle to keep pace with corn deliveries, since with record bushels to handle and most likely a wetter crop to boot, I would anticipate it may become necessary to periodically suspend deliveries to enable the dryers to catch up, and to move corn around at various sites.

Obviously, Mother Nature will play a huge role in this scenario. Today’s hybrids have amazing dry down characteristics, and of course the pace of harvest can also provide catch up opportunities.

A record corn crop will almost certainly mean lower prices at harvest, but with good demand from ethanol and the export market, both of which are projected to be strong, prices should be able to recover from harvest lows during the winter.

The world economy is looking much better, as is our national econ-

omy, and we can not forget that our crude oil prices have a lot to do with our corn prices. Crude recently pushed to \$74.00 per barrel, its high point thus far in 2009.

Many traders also believe we could be looking at a record soybean crop as well, however the situation for beans is a much different one from corn, and for several reasons.

For one thing, China has been buying up the world’s soybean supplies at a record pace, therefore at this time the United States is nearly out of last year’s soybean supply, and South America has virtually no more beans for sale until their new crop arrives in March or April.

So while there’s a good chance we could see harvest pressure on bean prices, with the apparently strong export demand potential we have for beans it should not take long for prices to recover after the bean harvest has been completed.



The new grain dryers that have been installed at the Cherokee location (left photo) and the Marcus location (right photo) are both 4,000 bushel per hour systems and will greatly enhance grain drying speed and capabilities for our customers this fall and for many seasons into the future.