

Volume 05 • July 2010

CONTACT:

515-924-3555
P.O. Box 67
120 Walnut St.
Burt, IA 50522
www.statelinecoop.com

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Lone Rock Feed Mill receives Dedication to Quality Award



Lone Rock Feed Mill received the Dedication to Quality Award from Land O'Lakes Purina Feed, LLC. The Feed Mill employees worked very hard to achieve this award, as several areas are evaluated for a 12-month period to attain the award. The areas that are evaluated assess feed quality as well as food safety. Please join StateLine Cooperative in congratulating all Lone Rock Feed Mill employees for this accomplishment.

Pork Quality Assurance Training

By Cherilyn Krichau, Feed Department Manager

For several years, the pork industry and pork producers have worked very hard to enhance the quality of pork production in the U.S. The pork industry has made a commitment to improve production practices through the Pork Quality Assurance (PQA) program, the leading educational and continuous improvement program for America's pork producers. This program was developed in 1989 and now consists of an educational component for swine caretakers, including transporters of hogs, and a site assessment.

In the pork industry today, it is imperative for producers to get trained in the PQA program to market animals. The level of training neces-

sary today is the PQA Plus program. Many producers have taken PQA Level 3 in the past, but the program has changed and anyone who has not had this training should do so as quickly as possible.

Producers will also need to have a site assessment completed by December 31, 2010. This entails a PQA advisor doing an on-farm visit and completing an assessment of the site.

StateLine has three PQA advisors on staff today to train and educate individuals involved with pork production. If you need any additional information on this program please feel free to contact me at clkrichau@statelinecoop.com or by phone at 515-924-3555, ext. 14.

StateLine agronomy thoughts

By Chuck Peter, Agronomy Department Manager



The pricing will really be attractive, but I really don't see the price of glyphosate of any flavor going up very much for the next couple years or so.

As the father of three, 20-something adults, I have had my share of times when something unexpected happened in the middle of one of their schemes that resulted in less than desirable outcomes, sometimes for me, but more frequently for them. On more than one occasion I have been accused of being the “crusher of dreams” as I managed to wreck a masterpiece in the making with a single word, usually, “No.”

Apparently this summer it is Mother Nature's time to take on the “crusher of dreams” role, as what was looking to become a spectacular crop of corn and soybeans has been significantly altered by a weekend of unseasonably wet weather. I'm not at all certain what we

collectively have done to “fool Mother Nature,” but apparently we did, and she has responded in a loud voice. Hopefully, a forthcoming dry spell materializes soon, or we may be singing “Row, row, row your boat” for some time to come.

Don't rush glyphosate purchases

On another front, in case you have not heard yet, you are about to be introduced to *Glyphosate Wars III*. Or is it *Glyphosate Wars IV*? Or *V*? I tend to lose count after awhile, but suffice it to say there is a real struggle going on in the industry to prove who the big dogs in the glyphosate business really are. Monsanto, who claims to be the driver in the glyphosate business, is going to be lowering their Roundup prices considerably starting with this next season's business. Monsanto's stated purpose is to regain market share that they have lost the past couple years, while the price of Roundup in the world rose, and the generic manufacturers lagged the increase. Their unstated purpose, in my opinion, is to clean-up the glyphosate business by lessening the number of manufacturers that can make a profit at the price levels Monsanto is choosing to play with. They can't take out the Chinese, but they can make most other manufacturers of glyphosate squirm as they struggle to maintain pricing competitive with Monsanto. Short term, at least, I look for farmers to be the beneficiaries of this battle, at least until someone decides that the market has been cleansed enough, and prices will again rise.

You will no doubt be hearing shortly from some retailers telling you you'd better “hurry and take delivery of your next season's glyphosate supply now, in order to take advantage of the great deals available for a limited time only.” Usually, the reason someone wants you to take product now is so they can refill their own limited storage

tanks with product under a manufacturer's current marketing offering and maximize the manufacturer's program benefit to themselves as well. Given what it seems Monsanto is trying to accomplish, I really don't see any need to be in a huge hurry. The pricing will really be attractive, but I really don't see the price of glyphosate of any flavor going up very much for the next couple years or so. Your normal supplier will certainly be able to take care of your needs, and accommodate your preferred delivery schedule without it costing you a bundle of money, as some may want you to believe.

Don't rush fall fertilizer decision

For fall fertilizer decisions, my best advice is to wait a bit until we see where the crop prices head before making fertilizer decisions. All fertilizer manufacturers are in selling mode right now, and stories of likely product shortages are being told as if they are gospel.

Right now, I see a game of chicken being played between phosphate manufacturers and domestic fertilizer dealers and farmers. The manufacturers have been busy shipping product overseas to Pakistan, India, and other markets where the price was higher than our domestic prices. They are betting that the American farmer will have to come to the table to replace nutrients taken off this year in what has looked to be a large national crop. I try to tell them that the same farmers who resisted spending \$900/ton for phosphate fertilizer when corn was \$7.00/bushel will also resist spending \$500 plus per ton for phosphate fertilizer when corn is under \$3.50/bushel. So far apparently they don't believe me. Stay tuned... Again, I'd not be in a hurry to be purchasing your fall fertilizer needs just yet. We are taking some prudent product positions, and can quote pricing, should we need to do so, but at this point, unless you are actually selling crop, I wouldn't be in a big hurry to buy fertilizer. When this situation changes, your StateLine Sales Agronomists will be calling you with updated information and recommendations.

Again, thank you for allowing us to be your supplier of choice this and every season. We will continue to work hard to earn that opportunity. We understand that your cooperative is only successful when you, our owners are successful. Please remember that at StateLine Agronomy, the main reason we exist is to help you improve the profitability of your farming operation. If we are not doing that job in a manner to meet or exceed your expectations, or if you have any questions regarding StateLine Agronomy, please let me know. I can be reached at my office 515-924-3859, cell phone 515-320-1466, or e-mail cpeter@statelinecoop.com.

Giant ragweed over-running fields

With all the rain keeping application equipment out of the fields, we seem to have an excellent crop of weeds coming in soybean fields, in some cases approaching small tree stature. While weed control challenges seem to be always with us, it is certainly a lot different feeling looking over fields today, at least for those of us in the more "mature" agronomy personnel category, than it used to be. Thanks to the technology invested in over the recent past by our crop protection and seed industry, we certainly have different and more effective control options than we had even just a few years ago.

While our fields have been getting cleaner and cleaner, we are, however, developing another problem that needs addressing. As I drive around the geography we serve, as well as areas adjacent, I am noticing places where it could appear to the casual observer that the Giant Ragweed has become the state flower of Iowa. Ditches, fence lines, and even sections of field edges are becoming over-run with this plant, as well as some others.

Folks, this is not a case of the dreaded "glyphosate resistance", or any other herbicide resistance. Rather, in many/most cases it is a result of our indifference to the problem, and our unwillingness to take preventative action. We used to spray fence lines, water ways, and road ditches. We used to cultivate, and we used to perform primary tillage in every field. By not performing these activities, sometimes in the name of conservation, and by killing off our fence lines with glyphosate, we are creating the potential for a long term real problem. In the name of stewardship, we had better collectively get about solving the Giant Ragweed problem while it can still be easily dealt with or it will become more than just a cosmetic issue.

— Chuck Peter

StateLine's million dollar improvements

By Dean Kohlmeyer, Grain Department Manager

If you ever wondered what a \$1 million dollar investment can do for your cooperative, travel to Ringsted and observe the improvements and upgrades that will be completed this summer. Upon completion, you'll see the following:

- ▶ A new continuous flow natural gas dryer rated to handle 4,700 bushels per hour;
- ▶ Receiving capacity increased to 25,000 bushels per hour;
- ▶ A new distributor system;
- ▶ New conveyors in the head house section; and
- ▶ Removal of the feed mill.

The dryer will give us increased drying capacity that will be utilized by surrounding StateLine Cooperative locations. In 2009 we transferred wet corn out of the Halfa and Armstrong area because our drying capacity wasn't able to handle your needs. If LP gas has a supply problem again, we are running on natural gas, no problem.

Increased receiving capacity means you'll get back into the field sooner which allows you to become more efficient each harvesting day.

Removing the feed mill will allow for better traffic flow around the Ringsted dumps and back to the scale. You won't feel like you are racing on a dirt track avoiding obstacles and other drivers by the time you leave the elevator. You won't be able to see the grain distributor and new conveyors that will be installed above the grain bins, however, these improvements give you the increased dumping speed and allows for a cleaner and safer work area for everyone.

New scale at Swea City

We have another improvement coming to Swea City that you will be able to see, an 80 x 14 truck scale.

The new scale will be located south of the present scale and we will have a remote ticket printer located at the scale for the times you don't want to go into the office to grab a copy.

Just like the improvements in Ringsted, StateLine Cooperative spends your money to increase the value of the services we offer you. We believe your cooperative is truly an extension of your

farming operation, and that we should spend capital improvement dollars in areas that will increase the value of your operations.

Marketing assistance available

We had some very profitable marketing opportunities early in this marketing year. Since then we have seen our prices fall as U.S. carryover stocks tell buyers that the grain supply is adequate for their needs. If we don't have another major hot weather concern, the highs may have been made early this year. This is where we continue to encourage you to understand your cost of production and be willing sellers when the



At StateLine Cooperative's Ringsted location, a new continuous flow natural gas dryer is being built to provide increased drying capacity system-wide.

market will allow you to sell at a good return on your investments. Don't hesitate to let us know how we can assist you with determining your cost of production. We have many different resources to assist you; just ask us for the assistance. We also have some cash contracts that allow you to add a cash premium to a new sale when you are looking at selling one or two different crop years. So if you are wishing you had sold \$0.20 or \$0.50 ago and still need to sell one or more years of crops, call us and ask about the Premium Call Offer Contracts.

Please continue communicating with your StateLine Cooperative employees about what services and other things you anticipate needing from us in the future.

Facility improvements mark 2010

By Larry Sterk, General Manager

As I look toward the end of your cooperative's fiscal year, August 31, financially StateLine Cooperative is having a good year and should make budget.

Feed and fertilizer tons sold are higher than we had last year. Bushels of corn purchased and sold this fiscal year are more than 2009, while to date, soybeans bushels are pretty flat compared to a year ago. We plan on taking inventory on Friday, August 27, 2010, with our final cut off on August 31, 2010. The auditors, Meriwether, Wilson, & Co. from Des Moines, Iowa will give the SLC Board of directors the audit results of the fiscal year 2009/2010 in early September.

Facilities clean-up continues

StateLine Cooperative has made an extensive effort this year to clean-up locations and take down obsolete facilities. In the last year or so we have removed the wood elevator and wood grain annex at Ledyard, feed mill at Buffalo Center, fertilizer plant in Swea City, wood grain elevator in Swea City, and the fertilizer plant in Fenton.

We have on the schedule to take down the feed mill in Ringsted and the feed mill in Burt. Not only does taking these obsolete facilities improve the cosmetic appearance of the locations, but we are seeing the customer traffic flowing much easier, too.

In addition to cleaning up facilities, check out Dean Kohlmeyer's article that describes what we are doing in our grain assets to improve customer service and prepare for the potential record yields this fall.

Agronomy is working on facilities to eliminate some service bottlenecks to improve the movement of plant food and crop protection products in key seasons (spring).

Feed continues to be constant and showing increased tonnage. The feed division is very important to SLC customers because we process around four million bushels of corn through the Lone Rock feed mill annually. If you are going through Lone Rock, stop in and see what we are doing to the office to improve efficiencies. We have also replaced the roof of that office.

As you may know, last winter we lost our main shop in Burt due to high snow levels collapsing the roof. The shop is being replaced and we plan to move into the rebuilt shop late July or



StateLine Cooperative's Armstrong location received special attention from a road grader earlier this summer to accommodate the new liquid fertilizer loading facilities and liquid fertilizer equipment expansion. The two tanks were added within the last two years.

August. During the loss of this shop, the other maintenance shops in the SLC system have really stepped up to accommodate the extra workload of maintaining equipment in overcrowded conditions. During this time we have been renting a shop in Bancroft to relieve some of this congestion. Through all of this, your employees just did a fantastic job of having equipment ready for this spring.

StateLine Cooperative - real people, real pride

As I have said many times in the past, the success of SLC can only be done through the support of your business. We take very seriously the confidence you put in StateLine Cooperative employees to help make your farming operation successful and profitable. You have an excellent group of employees working at your cooperative that will put in the extra effort to provide the best service possible. We have confidence to know that agriculture is a long-term, viable, indispensable business that will be absolutely needed more and more as the world population continues to grow. There is no doubt in my mind that the American farmer, the best in the world that live right here in Iowa and Minnesota, will continue to produce more than enough food to support the world. I am proud to be a small part of that adventure.

Thank you for your business, and we look forward to serving you in the future.

"Committed to Working and Growing Together for the Future."

Board positions open for nomination



This year two StateLine Cooperative director positions are up for election. Kim Dreyer has reached the maximum number of terms a director can serve according to the StateLine Cooperative bylaw requirement, which are three, four-year terms. “We want to sincerely thank Kim for his dedicated service and leadership he has provided not only to

StateLine, but to the cooperative system,” says General Manager Larry Sterk. “Remember, it is the cooperative system that keeps the playing field level for production agricultural producers. It takes a lot of time and effort and I would ask that you thank Kim for his tenure and the rest of the directors for serving,” he adds.

Rick Eggers board position is also up for election, and he is eligible for re-election.

Your board of directors has a nomination committee in place to start working on finding qualified candidates to present to you for election this coming November. The 2010 nomination committee consists of:

Larry Bierstedt

Lloyd Eichenberger

Cory Jensen

Verdean Mawdsley

Loren Meyer

Stan Siemens

If you have interest in running for one of the open positions on the board please contact one of the members of the nominating committee. If you know of someone that you feel is qualified to run, turn that name into one of these members as well.

If you are contacted to run for one of these positions, please give it serious consideration. The fact that you were asked means that you are viewed as a responsible leader that would bring a valuable skill set to the board.