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A Year in Review - Growing Opportunity

By Chief Executive Officer Kent Appler



Viafield CEO Kent Appler

It's hard to believe, but harvest season is once again upon us. Over the past 12 months Viafield has gone through a tremendous amount of change. With the addition of a new state of the art UAN facility, upgrades to the feed mill in Elgin, and increased trackage at two of our rail sites, we have done some exciting things as a cooperative. Along with the additions and upgrades we've purchased over \$800,000 in rolling stock equipment. All of this was done for one reason, to better serve you, our owners/customers, today and in the future.

Although facility updates and additions help us follow through on our promise, it is our team members that keep Viafield customers coming back. Not only do they provide customer service and customer information, they also act as listening posts to what you, our customers, are expecting and needing in the future. With this in mind we started a customer service committee. The committee is the voice of the customer and provides leadership for ensuring Viafield is accommodating

customers with what they need, when they need it. Safety is also something that has been a priority of your new cooperative in the past year. We have started an employee-based safety committee, which has implemented several strategies to help protect employees. We want our team members to be able to bring us new ideas that will help you, our owners/customers, increase productivity and ultimately improve your bottom line. Employee training will be another area of continued focus as we move forward. When you have questions or concerns, both technical and business related, you can be confident the Viafield team will be able to help you.

With interest rates being low, we have had several customers ask us if we are going to open up Demand Notes again. Demand notes are a way for Viafield customers to invest in Viafield and receive a good return on their money. Members currently have \$1.7 million invested in Viafield that over the years has giving them a very good ROI. As of today we are opening up our Demand Notes to all members who wish to invest in Viafield. For more information please contact either Steve Bodensteiner at 641-315-2515 or Sanda Weidemann at 563-637-2285.

Article Continued on Page 2

Vision for the Future

As we look forward there are five areas we plan to concentrate on.

Service: As Viafield moves to the future we will continue to provide the great service that you have come to expect. It is this customer service, which starts at the employee level, that will continue to set us apart from our competitors. As you our customers expand, change, and require additional services, Viafield will continue to grow to meet those needs. I know our team is dedicated to providing service that will help improve your operations and bottom lines.

Technology: Anyone who has purchased a computer knows how fast technology changes. Just 5 years ago a smart phone was a Blackberry that allowed you to plug into your computer to sync your e-mails and appointments. Today smart phones have become mini computers that sync automatically every 10 seconds through the internet and oh, by the way, can still be used to place a phone call in between texts, e-mails, video streaming, taking pictures and downloading. As a team we need to continue to incorporate technology in ways that make sense to better serve you. Today we are using VRT application, tissue sampling, auto steering, and seed traits, but tomorrow, who knows, maybe we will be making recommendations on what to plant and at what rate based on satellite information of your individual field. All I can assure you is that we understand how fast technology is changing the landscape of our customers, and we're committed to keeping pace with your needs.

Profitability: This has always been a mainstay in the cooperative system, because without profitability our team cannot service our customer/owners. We are dedicated to making a profit so that we can purchase rolling stock, build grain bins or other infrastructure as well as hire and retain team members needed to provide excellent service.

Efficiency: Just like our owners, we need to become more efficient as a cooperative. Your equipment continues to get larger and it seems planting and harvest season get faster every year. You use less diesel fuel and farm more ground with the same number of people. Your cost of production is also decreasing due to efficiency. As a cooperative we are doing similar things to keep up with you. We are getting larger sprayers, adding computer programs to control feed manufacturing, and getting larger fuel, propane and feed trucks. All of these additions are an effort to reduce cost and increase efficiency. We will continually evaluate standard operating procedures as we look for ways to improve our operations.

Training: Often the difference between a good employee and a great one is training, and we will continue to ensure our team has the right expertise needed to take care of you.

I want to personally thank you, our members and customers, for continuing to support Viafield. On behalf of the team at Viafield we wish you a safe and productive harvest season. Let our team know how we can provide growing opportunities for you!

New Grain Leg will Shorten Harvest Line

Addition of new leg will help efficiency at Maynard

With harvest approaching, the Viafield Maynard team is pleased to announce the addition of a new grain leg to the north bean dump bins. The leg will be an upgrade from 2,500 bushels an hour to 8,000. The new leg will shorten the line this harvest and improve the efficiency of your cooperative's operation. The addition of this leg should also help comply with safety regulations and is an investment back into Maynard's infrastructure.

The other leg was torn down in May and the new leg should be up and running by the bean harvest. The grain leg is strictly for beans.

The addition in Maynard is one of a series of upgrades to facilities that have taken place company wide in recent months.

The team at Maynard wants to remind customers to have a safe fall. We are here to serve you!

ACH Credits

The No Hassle Way to sell grain

Want to make life easier? Viafield now offers ACH credits for your grain checks. Sell grain over the phone and have the money deposited directly into your bank account. Customers still receive a settlement through the mail or pick up. No more trips to the bank needed.

The Way it Works

Simply fill out the ACH Credit Form found on the Viafield homepage and drop it off at a Viafield location near you.

Harvest Tests and Tips

Helpful hints for fall from the Viafield Agronomy Team

While you are gearing up for fall harvest, the team at Viafield has a few tips and tests to make your harvest more efficient and productive.

Push Test – Walk through your corn field and push 20 corn plants at a 45 degree angle to determine standability issues. Count how many stalks break to help you figure out what hybrids to harvest first.

Pinch test – pinch corn plants at the base to see if the rind is weak, which will lead to down corn. Determine which plants have better stay green, which will allow for better standing corn later in the season.

Tip #1 - It's more efficient to harvest the fast die fast dry hybrids first, leaving the other crops not needed to dry as fast.

Iowa State University provides the average losses in bushels/acre to use for rule of thumb calculations. Use them to determine which hybrids you should harvest first and which ones can wait until later.

Soybean Harvest losses —

- 4 soybeans per square foot equal one bu/a loss

Corn harvest losses —

- 2 kernels per square foot equal one bu/a loss.
- One ear per 125 feet of 30 inch row equals one bu/a loss.
- One ear per 100 feet of 38 inch row equals one bu/a loss.

Tip #2 - Make sure the combines are set correctly. Great time to be “tweaking” during wet weeks.

Tip #3 - Consider harvesting the crop when it is 20%+ moisture because with all the stress we have had this year from the heat and lack of moisture, the integrity of the crop will deteriorate quickly and you will potentially leave yield in the field because of harvest issues.

Please contact your local Agronomy Account Relationship Manager for more information on these tests and tips.



Meet the Next Generation of Agriculture Leaders

Q and A with Agronomy Intern Logan Lyon



Every year Viafield has the privilege to work with students as interns. Logan Lyon is one of those individuals. Logan is one of six interns your cooperative had this summer. (Spotlights of the other five interns will be featured in future Connections Issues.)

What motivated you to choose a major in an agriculture related field?

I grew up on a corn and soybean farm near Wilton, Iowa, which is where I attended high school. I have always been involved in agriculture, and I wanted to continue that with my education.

What have you enjoyed about the Viafield Internship Program?

I always enjoy meeting growers and continuing to learn new things about agriculture I didn't previously know.

Can you describe some of the responsibilities you have had during your internship?

Kennon (Gumm) and Charlie (Schdmitke) have had me perform tissue sampling, crop scouting, as well as shadow them on farm calls to discover producers' needs.

What career path would you like to pursue once you have completed college?

I would like to stay in Iowa after I graduate and pursue a career in an agronomy related field or run my own farming operation.

How have you benefited from having Kennon Gumm and Charlie Schmidkte as mentors?

I like the independence of making my own schedule. Since we've built our level of trust, I can offer Kennon and Charlie suggestions about how I can apply what I've learned in class to my internship. Their goal is to have me do everything an agronomy account relationship manager would do, including sales calls and presenting recommendations.

Feed Mill Expansion

By Bill Hayes, Feed Business Team Leader



On August 9, Viafield broke ground for a mill expansion at Elgin. Currently the mill manufactures about 500-600 tons of feed each day. With the expansion, manufacturing capacity will nearly double to 1000+ tons per day, since we will be able to manufacture it more efficiently.

The added capacity is important for our customers. By expanding the Elgin mill, we will be able to continue to meet the needs of our customer as their operations grow. According to Feed Business Team Leader Bill Hayes, "We're in it for the long haul and plan to serve all of our customers' needs far into the future. We're investing in our feed mill, because we believe in the future of the feed industry."

The added efficiency will also benefit the employees. Having a more efficient mill will make it easier for our Elgin mill team — 3 mill operators running 2 shifts and 7 truck drivers — to meet the needs of their customers. As an employer, Viafield strives to ensure a great work place, and we're proud of our ability to keep great team members who provide excellent customer service.

Since the groundbreaking only a few weeks ago, construction has been moving along swiftly, as the

pictures illustrate. Re-rod was put in place and the concrete pad was poured. The re-rod sticking up out of the concrete is the basis for the walls currently under construction. Visit www.viafield.com to see how construction progresses through fall and winter. You can access the construction pictorial from a link on the home page or by going to the Feed section.

While the mill is under construction and after it's completed in Spring 2012, our goal is to ensure customers get the quality feed they need, delivered when they want it. That's part of our promise to provide innovative products and dependable service to help each customer exceed their potential. When the mill is completed, the feed team will continue to meet that promise far into the future.



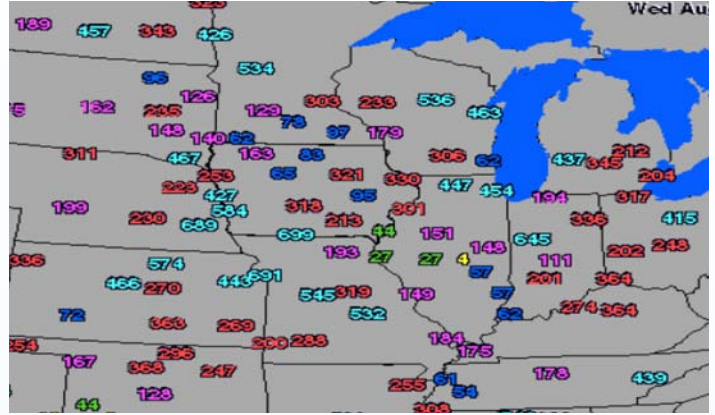
A Fall Weather Report - Early Frost?

A report from FCStone

Now that the calendar has turned to September and the meteorological summer is over, it is time to anticipate fall weather. Looking back, the crops have endured near record heat in July and below normal rainfall in August. What else could go wrong? Well, I hate to break the news but some weathermen are hinting of an early freeze. They base this on the fact we are still in a La Nina weather pattern and history has shown early frosts are very common during La Nina years.

The 6 to10 and 8 to14 day forecasts are forecasting below normal temps over the Eastern third of the U.S., but forecasters are not expecting any frost during this time frame; however, we'll need to watch each succeeding forecast. One good thing about this year is that the heat pushed the crop maturity, which should minimize damage from an early frost. Other potentially bad news for farmers is a dry fall is predicted with the enduring La

Nina weather pattern, especially in the Plains States, an area that needs moisture for the 2011/12 winter wheat season. You can add frost in the Midwest and drought in the Southwest to your list of things to worry about.



Above chart shows the total inches of rain in August

Ruby Fieldmaster Premium Diesel Fuel Pays Off

By Mike Kuboushek, Energy Business Team Leader



Test results prove it! Your agriculture equipment maintains peak power when you fill you tank with soy enhanced Ruby Fieldmaster® TM Premium Ag Diesel Fuel. Rigorous independent tests of Ruby Fieldmaster demonstrate a 4.5% increase in power compared to standard #2 diesel fuel.

Q: What's the difference between plain #2 diesel and premium fuel?

A: A premium diesel fuel has a higher cetane number, better lubricity, and injector-cleaning capability versus standard #2. Cetane measures a fuel's ignition delay. High cetane equals shorter delay and better ignition quality for quicker start-ups and less pollution. Lubricity is friction reduction, which extends the life of the fuel pump and reduces downtime. Detergents keep fuel injectors clean for optimum engine performance.

Q: Are all premium fuels alike?

A: No! Both base fuels and additives used to achieve "premium" status can vary widely by supplier. Ruby Fieldmaster Low Sulfur #2 offers a quality base fuel and a

complete, balanced soy-enhanced additive package. It's continually researched and tested to ensure the highest quality premium diesel fuel on the market. That's why we can confidently offer our unequalled Total Protection Plan™ diesel fuel warranty.

Q: I've been using plain #2 diesel for years, without a problem. Why switch now?

A: Over time, your engine's fuel pump and injectors get dirty — a gradual, hard to notice process that reduces both engine performance and fuel economy. Plain #2 fuel contains no additives to reduce wear, extend storage life, or reduce the formation of gum, varnish and corrosion, but Ruby Fieldmaster does. Continued use of Ruby Fieldmaster keeps your fuel system in "like new" operating condition for maximum power and performance.

Q: Why not just buy an over-the-counter additive for my #2 fuel?

A: Many over-the-counter additives just combine alcohol or solvents that may offer very limited benefits. Plus, they usually cost you more than Ruby Fieldmaster. Ruby Fieldmaster utilizes a balanced, tested mix of detergent additives, corrosion inhibitors, oxidation stabilizers, anti-wear agents and water demulsifiers. Plus it's soy-enhanced to enhance lubricity!

**RUBY
FIELDMASTER**
PREMIUM AG DIESEL FUEL

Viafield Grain Policy - 2011-2012

Policy effective September 1, 2011

Position of all grain must be given to the scale operator when the grain crosses the scale. To insure prompt attention and proper processing of all settlements, you must inform the scale operator when you have finished hauling the last load, and be sure all notations on tenant-landlord arrangements, partnerships, splits and all special information has been given.

Any grain to be sold the day of delivery will be priced at 1:00 p.m. that day. If there is no available market that day, first available market will be used. All pricing will be at the discretion of Viafield.

Please notify us as to the disposition of your grain, if not notified within 10 days of the first load we will put the grain on receipt.

Deferred Payment Contracts

Deferred Payment Contracts are available. All will have a specified payment date with due dates determined by management.

Unloading Hours

These will be determined by the management and regulated at the scale. When possible, hours for delivery will be posted in the office.

Storage Rates

Corn

Storage rates will be \$.14 minimum per bushel for the first 90 days (non-refundable); next 275 days will be 1/10 of a cent per bushel per day. Thereafter will be 2/10 of a cent per bushel per day.

Soybeans

Storage rates will be \$.15 minimum per bushel for the first 90 days (non-refundable); next 275 days will be 1/10 of a cent per bushel per day. Thereafter will be 2/10 of a cent per bushel per day.

Grain Bank

Grain Bank (all grains) will be stored at \$.04 for the first 180 days. Charges will be \$.04 per month for the next 185 days thereafter will be 2/10 of a cent per bushel per day. Grain Bank must be processed (ground or cracked) to be removed from storage, any grain not used in a manufactured feed will be charged a 10 cent per bushel fee. Unprocessed Grain Bank will be assessed regular storage when removed or sold.

Moisture Requirements

Corn

Sale for cash, Price Later, or Deferred Payment will be based on 15% moisture. Warehouse receipt and storage will be based on 14% moisture. Grain bank receipts will be based on 14% moisture

Soybeans

Sale for cash, Price Later, or Deferred Payment will be based on 13% moisture. (see discount schedule below)

Grain Weight Adjustments for Corn

1.18% per point water removed 0.22% variable weight loss per point total weight adjustment – 1.40% per percentage point moisture removed.

Corn Drying Rates

4.5 cents per 1% of moisture removed (rounded to nearest tenth point). Wet corn for storage will be dried to 14% moisture and shrunk 1.40% per point (NOTE: Due to current uncertainty in the petroleum industry, it may be necessary to adjust drying rates during harvest to reflect higher energy costs).

Soybean Moisture Discounts

1.5% per half point over 13% moisture will be deducted from the selling price.

Custom Drying Rates

Charges stated above will be in effect for custom dried corn; in addition there will be a handling charge of 10 cents per dry bushel. Custom dried corn will be tested, both in and out, and invoiced for moisture removed.

Averaging Loads

Moisture

Corn Moisture to 16.9% will be averaged. 17.0% and above will stand alone. Soybean moisture to 14% will be averaged. 14.1% and above will stand alone

Foreign Material

Corn FM discounts will apply after 3%. Soybeans FM discounts will stand on a load to load basis.

Test Weight

Corn & Soybean test weight under 54 pounds will stand alone. Test weight will be determined by the scale of discounts as applied by trade.

Damage

Corn damage over 5% will not be averaged and will be discounted at rates as applied by trade. Soybean damage will be determined by the scale of discounts as applied by trade.

Condo Grain

Must be dried to 15% on corn and 13% on soybeans. Pricing and receiving will be left to the discretion of management.

Miscellaneous

Handling charges for all grain out are 10 cents per bushel in and 10 cents per bushel out

Price Late Contract service charges are 20 cents minimum per bushel for the first 90 days, to be invoiced when all bushels are applied to contract. The next 275 days, 1/10 of a cent per bushel per day: 0.1644 cents per bushel per day thereafter. Contracts must be priced by August 15, 2012.

Initial storage charges will be based on average delivery date and billed to 12-31-2011. After the minimum storage date has been reached the storage will be invoiced monthly. Minimum storage, nine month loans and reserve storage must be paid in full before warehouse receipt will be issued.

All outbound equipment will have first priority to the scale. Incoming equipment should not pull onto the scale unless there is room to stage on the inbound side keeping the scale clear whenever possible. You are also responsible for keeping track of your place in line.

(Any changes made in policies will be posted) **(Revised 08-5-2011)**

Hedge to Arrive Fees

Corn

Current crop year 5 cents per bushel
Crop one year out 7 cents per bushel
Crop two years out 9 cents per bushel

Soybeans

Current crop year 7 cents per bushel
Crop one year out 9 cents per bushel
Crop two years out 11 cents per bushel

Important:

Due to market volatility, at the discretion of the Viafield team the service fees may change at any time, without notice.

All policies are subject to change without notice.

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Harvest Customer Appreciation Days - Take a Break with Us

The Viafield Team thanks you for your business

During harvest things can get a little crazy and catching a good meal can be tough. October 4-7 your cooperative can help you solve that problem. During Harvest Customer Appreciation Days, we invite you to stop in, take a break, and enjoy a FREE pulled pork loin sandwich in recognition of your business and to celebrate National Pork Month with our swine producers.

We hope this will be an opportunity for you to see our facilities and visit with our team. All events will run from **10:30 a.m.-1:30 p.m.** Find the Harvest Customer Appreciation Day location nearest you on the list to the right. See you there!



Customer Appreciation 2011 Dates:

Tuesday, October 4th, 10:30am-1:30pm

Marble Rock, Iowa

Rockford, Iowa

Rudd, Iowa

Wednesday, October 5th, 10:30am-1:30pm

Carpenter, Iowa

Grafton, Iowa

Manly, Iowa

Thursday, October 6th, 10:30am-1:30pm

London, Minnesota

Myrtle, Minnesota

Northwood, Iowa

Friday, October 7th, 10:30am-1:30pm

Arlington, Iowa

Clermont, Iowa

Elgin, Iowa

Maynard, Iowa

Sumner, Iowa

***Coming to a Viafield
Location Nearest you!***

Upcoming Events

September 1 - Viafield Ag Youth Scholarship Release-details on website

September 13 - Randalia Test Plot Day-Randalia, Iowa 2:00 p.m.-6:00 p.m.

September 14 - Clermont Test Plot Day-West Union, Iowa 11:00 a.m.-2:00 p.m.

September 14 - Pasture Walk-Arlington, Iowa 6:00 p.m.

September 14 - Arlington Test Plot Day-Arlington, Iowa 5:30 p.m.-7:30 p.m.

October 4-7 - Harvest Customer Appreciation Days-10:30 a.m.-1:30 p.m.

FREE pork loin sandwich, chips and refreshments compliments of your cooperative. Stop in to visit with the Viafield team and enjoy a sandwich supporting Pork Month.

Pasture Walk

Your hosts will be Kim & Mary Ann Klocke of L&R Gamm Farms in Arlington Sponsored by Viafield & Iowa State University, topics will include: pasture management, supplementing pasture grass with minerals, and water systems. The event starts at 6:00 p.m., and dinner will be served.

contact:

Mike Kirby-563-419-9522.

Matt Pearson-641-832-0232

Registration will be limited to 100.



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Connections

The Harvest Issue

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