



First Cooperative Association

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Visit Our Web Site At: www.firstcoop.com

September 2013



MANAGER'S CORNER

By Jim Carlson

General Manager

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As I write this newsletter article we are close to two weeks into the month of September, and it seems almost impossible to believe another summer season is behind us, and another fall harvest season and fall fertilizer season are just about ready to get started.

Once we were finally able to get the crop in the ground and overcome most of the early season weather delays, this has been another one of those fast-paced growing seasons, one during which Mother Nature again proved to be very particular about where and when rain fell, and how much of it came down.

If you had to choose one word to describe the season's rain, that word would certainly be "Spotty", and yet overall I believe the FCA crop fared much better than so many other areas that seemed to miss most of the limited showers the bulk of Iowa received this summer.

As a result, I feel we have some very good prospects for this year's crop to give us more of those "Better Than Expected" yields when all factors and challenges are considered than there are with crops falling significantly below expectations.

The grain storage and handling assets you own as members of FCA are ready to serve your fall harvest needs in the weeks ahead, as are all of our employees at all locations.

All The Vital Information You Need Is Right At Your Fingertips When You Go To

www.firstcoop.com

ON ANY OF YOUR MOBILE DEVICES

Grain Bids & Weather

Your Corn/Soybean Delivery & Storage Data
FCA Account Information & Much-Much More

Also Be Sure You Sign Up To Have Alerts, News Grain Bids
Sent To Your Email And/Or Cell Phone



I ask that you work closely with them so they can provide you with the most timely, efficient and effective service throughout the fall harvest season, and on into the fall fertilizer season, since these men and women are among your most valued assets and they are all dedicated to customer service and satisfaction.

PROJECT UPDATE: Work is winding down on this summer's main expansion/upgrade project at Battle Creek as we go to press in early September.

The new 4,000 bushel per hour grain dryer has been delivered and at this time we're putting up the tower and leg system that will feature a "wet" grain leg to feed higher moisture corn into the dryer and a "dry" leg to take bushels that have been dried from the dryer to our storage bins.

We expect this new asset at your FCA Battle Creek location to be completed by the end of September and thus be ready to handle the initial deliveries of wet corn that typically come in as harvest gets underway.

We are sure the ability to receive and dry wet corn at Battle Creek, which prior to this year had a very limited grain drying capability, will provide a significant improvement for customers delivering wet corn to that location, and will also ease the pressure on other nearby FCA locations equipped with drying capabilities that handled those wet corn volumes in the past.

Our other major summer project at

Cleghorn, where we have put up two new 370,000 Brock steel bins west of the existing storage facilities at Cleghorn, along with a 15,000 bushel per hour grain leg and 18,000 bushel per hour conveyor system, is also virtually completed, awaiting only the work the electrician has remaining to finish, which should also be during September.

We are also looking forward to having the combined 740,000 bushels of additional space and enhanced grain handling capabilities which this project brings to customers who deliver their grain to the FCA Cleghorn location ready to serve you.

HARVEST POLICIES: Please take a few moments to review the **2013 Harvest Policies** that have been included with this issue of the newsletter so you can be aware of the rates, requirements and procedures that will be used to handle your corn and soybeans at FCA this year.

There have been a few minor changes in this year's policies, including the change from last year's **Moisture Discount** of 3.0 cents per point of moisture removed to the 4.5 cents per point of moisture for 2013 that reflects the increased price of LP and natural gas used to dry grain.

Additionally, please note the change from a 15% **Moisture Requirement** of previous years for warehouse receipt

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**AGRONOMY
NEWS
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It's been another one of those growing seasons that we have been **Locked In A Big Battle With Mother Nature** giving us the full spectrum of weather challenges to deal with, and often those conditions were at one extreme or the other.

The season started off cool and wet, which in many cases translated into planting corn and/or soybeans later than most prefer to plant.

Then weather warmed up, rainfall amounts started to gradually taper off and the corn and soybean crops appeared to be catching up.

We had a rare cool off period in the first half of August, then it turned hot again and as we entered September the thermometer was still pushing into the upper 90s.

Rain remained extremely fickle through August, but as sparse as the few showers we had were, and as scattered too, our crop has fared much better than other areas, as I am sure any of you who have traveled much have seen for yourselves.

With the variable and extreme conditions we had this season, for a long time it looked like we were about to get by without any major challenges from insects.

However a late season population explosion by our old nemesis **Soybean Aphids** quickly put those thoughts to rest, and when all was said and done I think most soybean fields in the FCA trade area were sprayed with aphid controls.

I'm sure everyone is going to be very anxious for harvest to get underway so we can see what kind of crop of corn and soybeans has been produced in this season of such wild weather extremes.

LOOKING AHEAD: As September arrives the focus of your FCA Agronomy Team shifts from the crop in the fields you'll soon be harvesting to the fall season and everything we want, need and hope to get done to have the best head start on the crop you'll plant next spring.

And once again this fall, virtually the full range of agronomy products

and services we offer need to be addressed so that we can make the most of the often short window of opportunity we have in the fall for a lot of work to be jammed into.

For example, in recent years the **Seed Selling Season** has been getting underway in September, and once again this year the best selection, the biggest savings and the deepest discounts are available for those who place their orders for seed with us early.

If you have not as yet talked to your FCA Seed Salesman or Agronomist, be sure you have a talk before you get too deep into your fall harvest chores so you can lock in the top hybrid and variety numbers, the leading genetics and traits and the best savings and selection.

We also need to get an early start on soil testing and grid sampling services this fall, so if you have fields where you need to have soil records updated, be sure they are listed with your FCA Agronomist right away.

And be sure that as soon as you have finished harvesting the crop in any field where these services are being done for you that you contact your FCA Agronomist at once so we can get the soil samples taken.

Of course spreading P & K in the fall plays a big role in easing the spring workload, and we expect to have our fall P & K prices established by mid-September so you can talk to us to line up your needs and arrange custom applications services when the crop is out and before you do fall tillage.

Fall NH-3 applications have become an increasingly more important part of many farmer's plans and strategies in recent years, with many applying a significant percentage of

their nitrogen in the fall rather than waiting until spring.

Of course in our part of the state the window of opportunity to fall apply NH-3 can be a very short one, with only a limited number of days between when soil temperatures dip to the 50 degree range where it's safe to apply NH-3 and the day the ground freezes to shut the fall NH-3 season down.

We'll have our fall NH-3 pricing posted in mid-September too, so be sure to line up your needs with your FCA Agronomist soon.

Finally this month, I'm afraid I have some disturbing news to share with you, since if you've experienced problems with waterhemp resistant weeds in your soybean fields, as I think virtually everyone has to one degree or another, there's a new weed spreading into Iowa that's even worse, and it's not all that far away.

The weed is **Palmer Amaranth**, and while it looks so much like waterhemp that you need to look closely to differentiate between the two, most people in the crop business say it is double or triple the problem waterhemp is.

Elsewhere I've included a couple of photos of **Palmer Amaranth**, which was first confirmed in Harrison County near the Missouri River, and I've heard claims it may have been found as near as Hartley.

I'm sure you will be hearing much more about it in this winter's production meetings and various media articles, along with strategies to deal with the increasing problem of waterhemp and other weed resistance, so be alert for that information and work with your FCA Agronomist on the products and strategies to address this issue.



PALMER AMARANTH NOW CONFIRMED IN IOWA

Pictured above are examples of Palmer Amaranth, a new species of weed for Iowa that is reportedly even more difficult to control than waterhemp. See comments in the Agronomy News article for additional details.



GRAIN POLICIES 2013

WAREHOUSE RECEIPT & OPEN STORAGE CHARGES

NO STORAGE FOR THE FIRST 10 DAYS

On the 11th Day Storage Will Be Charged at The Rate of .2 of a Cent Per Bushel Per Day For 120 Days

Thereafter .0984 of a Cent Per Bushel Per Day (Equal to 3.00 Cents/Month)

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

Thereafter .0984 of a Cent Per Bushel Per Day (Equal to 3.00 Cents/Month)

Grain Bank Sold Will Revert To Open Storage Rates

GRAIN BANK IS INTENDED FOR FIRST COOP 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 Minimum For the First 90 Days

Thereafter .0984 of a Cent Per Bushel Per Day (Equal To 3.00 Cents/Month) For the Next 5 Months

With A 33 Cent Maximum Until August 31, 2014

ALL PRICE LATER CONTRACTS EXPIRE AUGUST 31, 2014

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

15% On Price Later Contracts-Open Storage-Or Sold, 14% On Warehouse Receipt-Grain Bank

1.5% Drying & Handling Shrink Per Point of Moisture Removed From Wet Corn

Drying Charge is \$.045 per Point of Moisture Removed

DRYING CHARGES SUBJECT TO CHANGE WITHOUT NOTICE

All Other Grade Factors Will Not Be Averaged

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

Test Weight Discount Rate is Cumulative

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

Musty Discount is 5 Cents/Bushel * Sour Discount is 10 cents/Bushel

CUSTOM DRYING CORN

Corn will be dried to 14.0% moisture with a 12 cent minimum drying charge.

We guarantee under 15% corn going out.

Corn must be hauled out in 10 days or regular open storage charges will be applied.

SOYBEANS

Moisture Requirement For Soybeans Is 13%

1.5% Drying and Handling Shrink per 1/2 Point of Moisture Removed from Wet Beans

Moisture Will Be Averaged Up to 14%. Each Load Over 14% Will Stand On Its Own.

DRYING AND SHRINK ARE SUBJECT TO CHANGE WITHOUT NOTICE

15% And Over Soybeans Are Subject To Refusal

Test Weight Discount on Soybeans 53.9 and under is 1 Cent/Bushel

Musty Discount Is 5 Cents/Bushel * Sour Discount Is 10 Cents/Bushel * FM over 1% deducted from weight

No storage first 10 days after unload date, thereafter, same as corn (.2 cent per day first 120 days, .03/Mo. Thereafter)

THESE POLICIES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

FIRST COOPERATIVE ASSOCIATION

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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 a new customer identification can be loaded into our computer system.

You may also 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. You may also request a copy of the delivery sheet when you're completed with delivery. **PLEASE KEEP THESE PAPERS!**

3. **CHECK YOUR SCALE TICKET.** You are responsible for ensuring the correct name is on your scale ticket. Please contact FCA immediately if any changes need to be made to your scale ticket.

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

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

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

7. Make sure all end gates open freely.

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

NOTE

These policies and procedure are designed to help make the season go as smoothly as possible for the customer and the employees of First Cooperative Association. We appreciate and thank you in advance for your cooperation.

HAVE A SAFE HARVEST SEASON

**FEED
FOCUS**
By
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Here at First Cooperative Association we are busy getting ready for the changes that fall brings to the feed business.

Cattle people are getting ready to wean their calves, setting up for fall and winter cow feeds and getting ready for the 2013 fall feeder cattle runs.

We will have the products you will need for your newly weaned or purchased feeder cattle, and Matt and Cody are ready to assist you with your nutrition programs this fall.

Swine producers are looking at the different feed input prices for the fall and winter of 2013.

Your FCA Team is always working closely with the different suppliers we purchase your needs from to improve your bottom line, and Doug, Dan and Rand are here to help you with your swine operations.

With the beginning of fall the young men and women of our area's 4-H and FFA groups are winding down from the 2013 show season and getting ready for next year's shows and county fairs.

FCA is always ready to assist the youth of our area with their new projects for the upcoming year.

Our customers of the future had a lot of success this past show season and we are anxious to help all of you and more next show season.

With fall bringing many changes to our customers' farming and livestock operations, here at FCA we are also looking at our business today and working on ways to improve our focus on **Service To Our Customers**.

One of the specific areas we are looking at are some new ways to assist you with your livestock business records, and I encourage you to contact your feed salesperson for more information about what we have to offer.

Once again this fall and during the early winter we will be running several promotions and booking programs you can use to lock in your inputs, so please keep in touch with your feed salesperson and watch for

additional details on these as fall gets underway.

FCA is here to aid you with all segments of your livestock production business, and regardless of the size or type of system you have we are here to help you get the most out of your livestock operation.

Let's work together to feed the people.

**THE
PETROLEUM
REPORT**

By
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As of September 15th, all U.S. terminals and pipelines will be transitioning to the sub-octane gasoline products that have been mandated by the **Renewable Fuels Standard (RFS)** passed by Congress in 2005.

A provision of the RFS requires all refineries and pipelines in the U.S. to begin the switch to a lower octane gasoline, typically an 84 octane fuel.

As we exhaust our inventories of super no lead at the FCA's Card-Trol locations, we will transition from that 89 octane fuel to one that is an 87 octane fuel with 10% ethanol.

At the present time, the no-lead storage tanks at the Card-Trols are virtually full of **"straight"** no lead 87 octane fuel that contains no ethanol.

As the inventory of this product is utilized, we will be making the decision on what type of fuel product will replace it in those Card-Trols' storage tanks.

Please feel free to contact us if you have any questions on this.

With harvest just about here, we are strongly encouraging our fuel customers to have their on-farm storage filled before they begin fall work.

I am sure everyone is aware of the

tremendous turmoil, volatility and uncertainty in the Middle East and the potential for one or more of these serious situations to intensify and create disruptions in the fuel/energy markets.

Additionally, as the terminals and pipelines throughout the country make the transition to sub octane fuels, shipments to all terminals could become **Sporadic At Best** going into a busy harvest season, thus product availability at those sites could at times become **A Bit Stretched**.

As for the fall outlook for LP, the later planting of this year's corn crop would normally indicate more drying demand.

Also keep in mind the severe heat and dry conditions we've been having this summer have clearly caused corn stalks to cannibalize themselves to support the ear and grain fill, thus weakening the stalks and increasing concerns for lodging, lots of down corn if we get the typical strong fall winds, and thus the potential for heavy field losses

As always, if you have fields where stalk quality and standability are a concern, harvesting corn at higher moisture and drying it is by far a better option than waiting for it to dry down before you combine, and suffering severe and much more costly field losses.

I therefore recommend you get your LP dryer storage tank filled and take time to test fire it to make sure it's ready to go and in proper working order.

If you need service of any kind, you can call **FCA's Service Technicians** so your dryer will be ready to answer the call.

Please be sure to check your on-farm diesel storage closely as harvest progresses and **Call Early To Order**.

On behalf of the entire **FCA Energy Team** I want to encourage everyone to take their time, be careful and to have a safe, bountiful harvest season.

THE BEST FARM STORED GRAIN MANAGEMENT BEGINS BEFORE NEW CROP BUSHELS ARE PUT INTO YOUR BINS THIS FALL

As farmers get ready to begin the fall harvest season, one of the initial chores that needs to be taken care of is to get their empty farm bins cleaned up, sprayed and prepared to provide a clean storage environment for the new crop they will be putting in those bins this fall.

After cleaning and sweeping your bins you need to spray them with grain bin treatment products such as Malathion or Mill & Farm Bin Spray, paying close attention to the cracks and crevices, fan ducts, sub floor and/or aeration systems that offer concealment and protection for insects.



HEDGERS' HOTLINE

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The grain markets continue with extremely volatile moves almost daily as we transition from old crop to new crop prices.

In the case of corn, the old crop supply has been sufficiently rationed so that we are not going to run out before the new crop arrives.

Prices have followed a predictable pattern of moving from a tight old crop supply to an adequate new crop supply, as old crop corn prices have dropped over \$1.00 per bushel in the last few days, with a steadily falling basis doing most of the damage.

End users of corn don't want to buy any more bushels at old crop prices than they have to, as they're looking ahead to much cheaper new crop prices not that far away from now.

Corn harvest in the far South is in full swing and they've been finding record breaking yields for the most part.

An added bonus for them is the fact that aflatoxin levels, which are usually a problem, are very low this year, thus making a lot more corn available to all markets.

Some southern corn has been shipped as far north as central Illinois, and this has contributed some to the recent basis decline.

Looking ahead, the big question is: ***“What is the crop size and what is the right price for it?”***

At this time the corn crop is expected to be somewhere in the low 150 bushels per acre for a national average yield.

If this holds true, supplies next year will be more than adequate and we will need to lower our price expectations a long way from what we have been accustomed to the last 2 years.

As of the August crop report, USDA expects our 2013/14 corn prices to be in a range of \$4.50 to \$5.30. I would therefore be a seller if we get anywhere near to \$5.30.

Soybeans look like they could be a lot more interesting than corn.

Millions of acres of beans were planted late, and summer growing conditions have been less than ideal.

In their August report, USDA pegged the national average soybean yield at 42.6 bushels per acre, compared to 39.6 for the 2012 crop, and at present traders feel the soybean yield is somewhere between these two numbers, probably in the neighborhood of 41 to 41.5.

A 41 bushel per acre national average yield throws us back into a very tight soybean supply situation, similar to the one we've had this year, which also makes this winter's South American crop a whole lot more important.

On the **August 12th Report** USDA projected the 2013/14 soybean price range to be \$10.35 to \$12.35. As of this writing, local new crop soybeans were priced at \$12.98.

The next **USDA Report** will be released on **September 12th** and I expect they will be raising their price projections for this coming year.

We spent a lot of time this past year in the \$14.00 to \$15.00 range, and maybe we will have a shot at that again this year.

And if South America runs into any production problems, we could see some good soybean prices this winter.

The **2013 Harvest Policies** are in this newsletter, so please review them completely, as there have been a few changes made, and call us if you have any questions.

Also keep in mind that these policies are subject to change at any time if market conditions dictate the necessity to make changes.

CORNER

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corn to a **14% Moisture Requirement** in this year's policies.

YEAR END: FCA completed it's 2012/13 fiscal year of operations August 31st, and it will be several weeks before the auditors are in to complete their work on the financial statements to give us the final figures.

I am pleased to say that all preliminary indications point to what could be close to a new record for total sales and savings at FCA, thus making this past year one of our best ever, or certainly very close to it.

I thank all of you for your support and business to make this another positive year of growth and performance, I both recognize and thank the employees for their hard work.

I look forward to seeing a good turnout of the membership at the **Annual Meetings**, which will be held on **November 20th in Storm Lake** and on **November 21st in Cherokee** where we will present additional details and information on this past year of business.

Complete details on this year's Annual Meetings and the election of Directors to the FCA Board will be mailed in early November.

**You Are About To Begin Work On
One Of The Year's Most Jobs
Please Keep In Mind It Is Also
ONE OF THE MOST DANGEROUS
Safety Must Be Your Top Priority
In All Of Your Fall Work
The Fate & Future Of Your
Farm And Family All Depend On
THE DECISIONS YOU MAKE THIS FALL**