

PEOPLE WHO CARE. PRODUCTS YOU TRUST. VALUE FOR LIFE.



Applying Roundup to soybeans farmed by the Dale Shelly family west of Princeton, MN.

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Get Off the Rollercoaster!

By Ken O'Brien, Grain Division Manager

Typically, just a handful of factors influenced grain markets at this time of the year: weather, the crop condition, and the carryout. Not anymore. Many more factors are causing the grain markets to fluctuate wildly like a giant rollercoaster ride with producers hanging on for dear life. These factors include traders trying to predict planted acres, drowned acres, replanted acres, yield potentials. Add to this unpredictable oil prices, the weak dollar, current grain use, carryout affecting rationing, and the over-active imagination of speculators on the trading floor.

With all these variables, no one can out-guess the market, and make no mistake, its nauseating up and down motion is not going away any time soon. Fortunately, there is a way to stay upright when everything around you is spinning. Get off the rollercoaster. In other words, put yourself in a position where the wild swings of the market won't take you down as well as up.



Getting off the rollercoaster involves knowing your production costs and locking in a profit when you can. You have most of your input costs for this year, so if you use your average yield adjusted for crop condition, you can arrive at your average cost of production and set a target price that will lock in a profit. You can do the same thing next year, only you'll need to lock in your input costs at the same time you lock in your grain price to ensure a profit.

Seem risky? It is, if you don't protect your position by investing in crop revenue insurance. That step will give you peace of mind while contracting ahead.

Yes, things were much simpler just a few years ago. But the crop input and grain markets have become much too complex and risky to do things they way you've always done them. So, get off the rollercoaster. Contact me at 888-806-4220, and I'll be glad to help you step off. ☎



Federated employee Luther Schumacher tenders the sprayer.

Lock in Nutrients for Fall and Beyond

By Jim Barthel, Agronomy Manager



I've been surprised by the number of growers interested in pre-buying nutrients. Some producers have already locked in their purchases for this fall, and even for next year.

Because of tight supplies, we've also seen growers put liquid fertilizer in their farm tanks for next year, when traditionally they wouldn't do that until spring.

Federated Co-ops has a program where you can pay 100 percent down. This is similar to what producers normally have done in December and January for next spring, they're just moving it up 5-6 months. We're making that program available because of our producers' interest in doing that. It's all driven by the fact that prices have gone up quite a bit from where they were, and everything

indicates prices will continue to climb.

We also have an option for the grower who wants to put down a percentage of the price, to lock in select nutrient producers for the 2009 crop year.

Consider buying at least a portion of your inputs for this fall and next year. *NOTE: Growers who applied their P & K last fall not only turned out well financially, but evened out their workload as well.*

As we've said before, we don't have a crystal ball that can tell us exactly what will happen, but world demand and tight supplies all seem to lean toward a stronger market than the one to which we've become accustomed.

To explore your nutrient pre-buy options, call you local Federated Ag Center. ☎

Higher Prices Boost Sampling Demand

By Bob Marquette, Agronomist, Albertville Ag Center

This summer we've seen a steady increase in producers asking us to test their soils. They're realizing how important it is to get a handle on the crop nutrients they're applying. With nutrient prices at all-time highs, they don't want to buy more than they'll use. They also don't want to under-apply and give up yields, especially with corn selling at record levels.

After fertilizing blindly for years, many farmers see a radical change in the recommendations from a soil test. You'll either save money or make money from the change. Either way, sampling every three years at a minimum, is well worth the investment. *NOTE: Some producers now sample every two years.*

A lot of wheat was planted this year, and those fields will be harvested early. Before those fields are plowed, they should be sampled.

Before wheat or row crop harvest, let your Federated Ag Center know the fields you want sampled so we can plan our work. Then, give us a shout as your combine heads for the field. This way, we'll have plenty of time to take the sample, get the results back, and apply any nutrients required before winter.

Fall application, which evens out the spring workload for both you and your co-op, is especially important if your test calls for lime. Lime needs time to work into the soil before next spring. With high fertilizer and grain prices, you will definitely want to correct the pH of your soil, which directly influences nutrient uptake.

Call your local Federated Ag Center soon and let us know the fields you want sampled. ☎

Bob Marquette takes a soil sample in a corn field near Albertville.



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Why Pay \$300 for a Bag of Seed?

By Stephanie Leuer, Agronomist, Isanti Ag Center

Good question. Here's my answer.

The newest and best yielding germplasm is being used to develop the newer traited hybrids. But it's not just the yield potential that boosts the price of a traited hybrid. It's the hidden tangibles that add value to that bag of seed corn. Hidden tangibles are traits that preserve yield potential or affect your bottom line profit, even if they are not directly related to yield.

One hidden tangible is faster drydown. With the high cost of dryer gas, it could very possibly cost you 3 cents per point to dry your corn this fall. If your corn yields 130 bushel per acre, that's \$3.90 to remove a point of moisture. The average farmer plants 2.5 acres with a bag of corn, a hybrid with faster drydown could save you \$9.75 per bag. If you need to take 3 points of moisture out of your corn at harvest, that trait could be worth $3 \times \$9.75 = \28.50 per bag. And fast drydown is only one of several hidden tangibles in a bag of traited corn.

Other hidden tangibles might be:

- **Standability** – What's it worth to you in lost yield and time if your corn is standing and you don't have to reduce your combine speed to 2-3 miles per hour to harvest it?
- **A Healthy Root System** – During last year's drought, producers using a triple stack corn saw a better response, even if they didn't have a corn rootworm problem.
- **Staygreen** – This trait can ward off stock rots that prevent the corn from fully utilizing the valuable nutrients you're applying to your fields.

There are other hidden tangibles in that bag of traited corn. Each has a value, like faster drydown, which could be worth \$30 per bag to you this fall. Taken together, these traits have a positive



effect on your bottom line and should help you understand why a bag of corn is worth \$300.

ORDER MY 2009 CORN NOW?

If you want to plant the best genetics, you need to be first in line. Every year, new traits are being added to the best-yielding germplasm, and these hybrids are typically in limited supply.

Even if you plant conventionals, you'll want to order early. Top-yielding conventional hybrids are becoming harder to get, with all the attention being focused on traited hybrids.

Our agronomists and sales people know the family and traits of each hybrid and can recommend the right ones for your soil types. Call your Federated Ag Center soon to discuss your 2009 hybrid selection. ☺



"Fast drydown, one of many hidden tangibles, could be worth \$30 per bag this fall."

GRATEFUL FOR YOUR BUSINESS

Thank you to our agricultural producers who supported us this past planting season. The rapidly escalating commodity prices and supply problems were a challenge to all of us. By working together, we managed to get the crop planted and well on its way. We all hope that a late fall will result in a good crop. Again, thank you for your support.

A handwritten signature in black ink that reads 'Tim Kavanaugh'.

Tim Kavanaugh, General Manager



Federated Plot Days All New

By Craig Gustafson, Agronomy Manager

If you think you know what a Federated Co-ops Plot Day is like, think again. Our 2008 Plot Days (see the schedule below) will be something entirely new. At each Plot Day we're committed to giving you more than just a sandwich and a seed guide.

Starting at 10:00 a.m. at every location, we'll offer breakout sessions. Subjects addressed by Federated Co-ops personnel at these breakout sessions will include:

- Soil Profile: Influence on Growth of Corn and Soybeans
- Nutrient Management, Soil Tests, and Genetic Response
- Weed Management: Timing Application for Tough-to-Kill Weeds
- Tours of Corn and Soybean Plots

We'll repeat these breakout sessions several times throughout the morning. This way you can attend several during the Plot Day.

Of course, there will be the usual camaraderie as you visit with other

growers, and we'll serve you some good food, too. The point is, you'll come away from these Plot Days with "hands-on training" that could add to your bottom line.

Check the schedule below for the Plot Days you want to attend and write them on your calendar. Closer to the Plot Days, your local Federated Ag Center will mail times and directions to nearby plots. If you want to visit a distant plot, your local Federated agronomist will be glad to arrange a ride. ☺



2008 PLOT DAYS SCHEDULE

<u>DATE</u>	<u>LOCATION</u>	<u>COOPERATORS</u>
August 29	Osceola	Craig and Neil Gustafson
September 2	Ogilvie	Larry and Sharon Wilhelm
September 3	Rush City	Dennis Le Mon
September 4	Albertville	Weidenbach Brothers
September 5	Isanti	Paul and Janet Bostrom
September 16	Ogilvie	Todd and Bob Steffen Bob, Brandon, and Blain Besser

ANSWER PLOT FARMER TOUR III

August 26, 2008
10:00 a.m. – 2:15 p.m.
Behind the Centra Sota
Agronomy Plant
Santiago, MN

A special Silage Tour of the Answer Plot is also scheduled for August 21. Call your Federated Co-ops agronomist for a ride to either event!



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