

504 South 2nd Street  
Princeton, MN 55371

### 2009 ANSWER PLOT SCHEDULE

THE ANSWER PLOT IS LOCATED  
BEHIND THE CENTRA SOTA AGRONOMY PLANT  
IN SANTIAGO, MN

FARMER TOUR 1 JUNE 18  
FARMER TOUR 2 JULY 24  
FARMER TOUR 3 AUGUST 27

10:00 A.M. – 2:30 P.M.

RAIN OR SHINE. LUNCH SERVED AT NOON.

COME ON YOUR OWN OR CALL YOUR  
FEDERATED CO-OPS AGRONOMIST FOR A RIDE.



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

## Your Co-op: Investing in You

By Jim Barthel, Agronomy Manager

By the middle of March, the Federated Co-ops agronomy staff had just finished conducting more than 20 grower meetings. These grower meetings had begun last August and each of our agronomy plants at Albertville, Isanti, Ogilvie, Osceola and Rush City had hosted at least four. The main goal of these meetings, which included plot days, post-harvest meetings, corn growers meetings and soybean grower meetings, was to invest in you by providing the information you need to achieve maximum yields. At each meeting, we covered the basics and we presented new technology.



Agronomist Kevin Carlson discusses the benefits and options of seed treatment with soybean growers.

- At the plot days, we learned about soil textures, we pulled up and examined roots, and we discussed what we were seeing in the field—good and bad.
- At the post-harvest meetings, we talked about what worked and what didn't in 2008, and how we could learn from our results.
- Most meetings were hands-on. For instance, our soybean grower meetings included a planter stand demonstration, and you were encouraged to bring a planter meter to the meeting to be tested for accuracy.
- At every meeting, we tried to keep the conversation local. The presenters were local experts, we focused on local diseases and insects, and whenever possible we presented local test plot data.

With high input costs and volatile grain prices, you have been asking your Federated Co-ops agronomist, "What should we be doing?" We've provided you with some tools for managing your risk. See Ken O'Brien's article on Page 3 for a description of those

tools. But there's one thing that today's economic downturn will not affect, and that's yield. Yield still has a huge influence on profitability, and that's what our 2008-09 Grower Meetings have been all about—helping you achieve maximum yields.

At Federated Co-ops, we want to be a true business partner with our grower-customers. If you win, we win. So this past winter—and in the winters to come—your co-op's agronomy staff will be investing its time and experience providing the information you need to stay in business and flourish.

Our 2009-10 meetings will start with the Answer Plot Tours (see schedule above). ☺



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



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## Adjusting Planter Between Fields Saves Money

By Kevin Rollings, Croplan Genetics District Sales Manager

Planter set-up is highly important in central Minnesota, which boasts some of the toughest planting conditions in the Corn Belt. You know what it's like. Some springs you get too much rain, you constantly fight emerging rocks, and soil conditions vary from one field to another—even adjacent fields.

Since no two fields are alike, you must adjust your planter between fields to optimize its performance. You must constantly check for rock damage, which will affect fertilizer placement. If you are not checking and adjusting your planter between fields to achieve maximum accuracy, it will cost you money in lost yields and higher input costs.

Planter accuracy also means checking your seed drop. If we don't check your planter meters, air or finger-type, you will not get your desired plant population.

Federated Co-ops and its representatives will calibrate your planter meters using Precision Planting's MeterMax® Test Stand. We'll repair or upgrade your air or finger planter meters as needed. Talk to your Federated Co-ops agronomist today or call your local agronomy center to get your planter meters checked by mid-April. ☎

***"Calibrated meters can add six or more bushels per acre. Call Federated Co-ops today to get your planter meters checked by April 15."***



Kevin Rollings demonstrates how the Precision Planting® test stand can evaluate the performance of your air or finger planter meters.



## Protect Profits by Checking Your Sprayer

By Craig Gustafson, Agronomy Manager

A very wise farmer once told me that his corn planter, his sprayer, and his combine were three things he had to get right to be profitable. The rest of his equipment didn't make much difference. Kevin Rollings talks about planter calibration on Page 1 of this newsletter. My topic is a well-tuned sprayer.

At right, you can see what over-application of pesticide at today's input prices could cost you. Under-application can be even more costly if you need to make a second pass or if your under-application causes yield loss.

Calibration makes sure your sprayer is delivering the correct rate of pesticide uniformly to the target site. Besides keeping costs down and yields up, calibration is necessary for:

- Protecting human health and environment.
- Preventing excess residue in crops or soil.
- Complying with the law.

Yes, it is illegal to apply pesticides at rates higher than stated on the label.

### NEWER SPRAYERS STILL NEED CHECKING

You probably have one of two pieces of equipment: an old conventional field sprayer or a field sprayer with an application control system. If you are using a conventional sprayer, the main thing to remember is that you need both the correct ground speed and the correct pressure with the right tip to get uniform application. For help in calibrating your conventional sprayer, contact your Federated Co-ops agronomist.

If you have a field sprayer with an application control system, you

may think you do not need to perform a calibration check. But as the University of Wisconsin points out in its manual on Pesticide Application, "You can still have plugged or faulty nozzles, or speed sensors can become caked with mud or bumped out of position . . . replace or clean any nozzle that has an output that differs by more than 5% from the average for all of the nozzles." Ask your Federated Co-ops agronomist for assistance in checking your nozzle flow rate. We can obtain parts for you and help get your sprayer field ready.



If your goal is achieving maximum yield, spraying properly is as important as getting the seed in the ground. ☺

### COST OF NOT BEING CALIBRATED\*

**Suppose your sprayer is mis-calibrated and is applying 10% more product on an 80-acre field due to worn nozzles on a 60-foot boom.**

<b>Rate:</b> Lumak@2.5 qts/A	<b>Total Loss:</b> \$304
<b>Product Cost:</b> \$38/A	
<b>Field:</b> 80 acres	<b>Cost of New Nozzles:</b>
<b>Over-application:</b> 10%	36 nozzles x \$5=\$180

*\*Adapted from a University of Wisconsin pesticide application training manual.*

# Tools for Managing Risk in Volatile Times

By Ken O'Brien, Business Relationship Manager



As spring nears, many of you are still undecided about what to do. With high input costs and lower grain prices, margins will be tight. But those of us in agriculture are eternal optimists. We will plant anyway, on faith that these markets will turn around.

Knowing this year will be a challenge for you, Federated Co-ops has given me the privilege of working closely with you to help identify and manage your risk during these volatile times.

Our tools for risk management fall primarily into three areas: Marketing Plans, Credit, and Crop Insurance.

## MARKETING PLANS

The volatility of the grain markets has been crazy over the past year. Five cents was usually a big move for corn. Now it is nothing to see corn move 20¢-30¢ or soybeans move 70¢ in one day.

I can help you develop a marketing plan tailored to your operation. Every farm is different depending on how much storage you have, when your payments are due, how much land you're farming, and the logistics of getting your corn to market.

First, we'll identify your cost of production. From there, we'll talk about the use of marketing tools like hedge-to-arrive contracts, basis contracts, and options. Then, we'll set some goals for income and profitability.

In past years, farmers could make a living just by being hard workers and putting in a full day. Times have changed. We've got to be very good at the business side of farming, on top of everything else. That's where I can help you.

## CREDIT SOURCES

One thing that will enter into our conversation about your cost of production is your credit line. How much are you borrowing and at what interest rate? How long are you working with borrowed money? Does it pay to store your crop and pay interest, or are you better off contracting it ahead and delivering it at harvest? A lot depends on when you're going to need money.

In the past, Federated Co-ops carried its farm customers on open accounts at 18% interest. In these markets, that isn't feasible for you or your co-op. We work with two organizations, ProPartners and Farm Plan™, which offer our producers financing at competitive interest rates. If you need help putting together a business plan that includes financing, I can help you find the interest rate and repayment terms that fit your operation.

**NOTE: Federated Co-ops will offer limited short-term financing to qualified customers. We're reviewing all lines of credit and will probably tighten some. If you anticipate needing our short-term financing, please contact me right away at 763-286-2315.**

## REVENUE ASSURANCE

Another key component of risk management is crop insurance. Revenue insurance protects your investment, and the investment of your lender, from any disasters. With today's high input prices, it's absolutely necessary. A few years ago, you would have survived a bad year without crop insurance. Now, one bad year can dig a hole too deep to crawl out of if you're not covered.

Crop insurance also ties into your marketing plan. Many of you missed out on the opportunity to contract corn at \$6-\$7 and beans at \$16 last year because you were afraid you might not have a crop. With revenue insurance, you can go ahead and contract to the level of your insurance when you see a good profit—without being worried you can't deliver. I'll be glad to show you how that works. Again, just call me at 761-286-2315. ☎



## Generations Rely on Co-ops



Ross Gerth works full-time as a mechanical designer and drafter in Elk River. On the side, he farms with his parents northeast of Princeton. The Gerths have adopted a pre-emergence weed control program, so they rely on the custom application services of Federated Co-ops. "We're busy planting, so we have them

do all of our spraying," he says.

The Gerths also purchase diesel and propane from the co-op, and they check with the Country Store at Long Siding first for any hardware needs. "Dad's pretty loyal to the co-op," states Ross. "They've got good people and

we've had good luck with them."

Ross says he'll depend on Federated Co-ops, in the future, to be on the forefront of emerging agricultural technologies and to recommend what's best for his family's farming operation. ☎