

FARMING TODAY



Jared Ehrp,
General Manager

Winter 2016/2017 remsencoop.com

As usual, this year's harvest brought its own set of challenges and rewards. Bean harvest was unusually long, with rain delays and higher than normal humidity, making drying difficult and pushing the completion of beans well into October. Many producers, if not most, reported 70+ bushel yields throughout the trade territory. The high bean yields, in conjunction with strong futures, brought several marketing opportunities late in the summer and continuing into fall, which many took advantage of. Corn yields were also impressive in our area, with late summer rains improving the overall quality and weight of the corn, but also making it slightly wetter in comparison to last year's new crop.

The agronomy season was very productive this year, as the moisture held off until NH3 application was completed. In an effort to ensure smooth operation and enhanced reliability for producers, we continually improve our facilities. The agronomy department added four additional twin-running gears to their already sizable nurse tank fleet. In addition to the running gears, a 17 knife tool bar was also purchased. We will continue to add capacity to our fleet

to further enhance producer efficiency and productivity. This year we also offered, in cooperation with one of our producer, the option of having your Nitrogen, Potash, and Phosphate applied in one pass, minimizing the potential for loss and reducing compaction. If you would like more information about this method, please visit with our agronomy department.

Agriculture in the United States, as well as globally, saw many changes in 2016, and we all live in a much smaller world now. What happens outside our borders has a substantial impact on our economic stability and fiscal policies, and this will only increase with global exports increasing each year. As an example, a sudden change in a foreign trade partner's import restrictions can have long-lasting consequences in domestic markets. With that being said, it's more important than ever to take advantage of positive market activity.

I want to thank you for your continued business with Remsen Farmers Coop, and wish you a safe and prosperous 2017!





A NEW PERSPECTIVE FOR SCOUTING

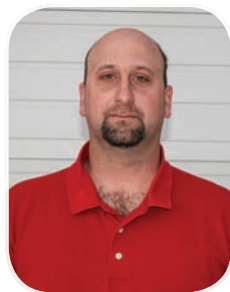
Troy Boetger, Sales Agronomist

As the agronomic world moves forward with technology, producers and retailers alike strive for ways to be more efficient. As obstacles and issues arise, we focus our efforts on ways to correct them in the years ahead.

This coming summer, we will be adding a new scouting service utilizing drone technology. Our UAV (Unmanned Aerial Vehicle) drone will help determine plant health using a variety of cameras, from an iPad attached to the drone, to an inferred camera which will detect the biomass of the plant, as well as identifying if the plant is stressed. After flying over a field to collect data, we will evaluate the imagery to determine where the problem areas are.

Between now and then we will be working on certification and licensure, as the FAA has strict regulations on the use of drones. We are excited about this new technology and anxious to demonstrate how it works.

Stop in to find out more information!



MAINTAIN SOIL FERTILITY

Scott Shirk, Agronomy Manager

With harvest still fresh on your mind, it's a good time to think about the nutrients removed from the soil and the variability in your fields.

Consider this: if you harvested 230 bushel corn, you would have removed 87 ppm of phosphorus and 69 ppm of potassium; 65 bushel soybeans would have removed 52 ppm of phosphorus and 98 ppm of potassium. With a two year plan, you would want to apply a 55-140-170 for crop removal, not taking build into account. But think back to running the combine - you didn't always see 230 bushel corn and 65 bushel soybeans - some areas were more, and some were less. That's why utilizing yield monitors and 2.5 acre grid sampling are very important tools. Also, pay attention to your in-season imagery, noticing how it correlates to your yield map.

We are thankful for the recent bountiful harvest, and grateful that you partnered with us for your seed, fertilizer, and chemical needs this past growing season. I'd be happy to visit with you about the best way to manage different areas of your fields going forward, to maximize soil fertility.

STAFF SALUTE

We have a great deal to be thankful for this year at Remsen Farmers Coop. All of our employees went above and beyond the call of duty during harvest season, as they do each year, working safely while still handling a record amount of grain this year. Our team of well-trained and dedicated employees is one of our greatest assets, and they continue to strive to help our patrons in any way they can.



RIDING THE MARKET ROLLER COASTER

Lanny Hustedt, Grain Merchandiser

Every year is different. We have been blessed with two straight years of record corn and bean yields. For the past three years, the Northwest Iowa counties of Ida, Cherokee, O'Brien, Plymouth and Sioux have had the highest average yields in the State of Iowa.

During harvest this year, we took in 1.6 million bushels of beans, up 15% from last year. Approximately 2.7 million bushels of corn were received. We were able to hold this and did not have to put any grain on an outside pile.

The markets are now watching South American weather, specifically Argentina. Traders want to see a big crop raised down there to meet the strong bean demand in the world, as the world wants to see more protein, namely beans.

The January bean futures have hit \$10.60 twice, and have fallen back both times. The traders need to see closes above that to have a chance to go the next leg higher. In corn, we find the \$3.60 value as a major resistance level. Corn and wheat (starch) are in very good supply in the world.

Exports on corn and beans are both running ahead of USDA projections. Bean exports are running 95 million bushels more than was projected, and corn is running 82 million more bushels exported than projections.

On the home front, please check your bins! I'm sure some bushels were harvested wet and had only air blown on them. At these prices we don't want grain to go out of condition. We will again be offering Free Price Later. We will let you know when that is scheduled.



2017 HOG OUTLOOK



Shane Morgan, Swine Feed Sales

2016 has been rough for the swine industry; thankfully there are some bright spots on the horizon we can look forward to. Unfortunately, some of these bright spots come at the expense of our commodity producers.

Grain prices look to remain low, bean meal prices are around \$325 per ton. It might be a good time

to go to a crusher and book your meal as far out as you can. Corn values look to remain around the \$3.25 to \$3.50 a bushel.

The United States has a lot more hogs than it does slaughter capacity and that trend isn't changing in 2017. The USDA has production up 3.5 percent in 2017, with domestic consumption up three percent and exports up five percent. Five percent on exports seems fairly aggressive, but we need to start somewhere. USDA estimates have \$40 on live and \$54 carcass. Unfortunately, profits look to be dismal. This week weighted averages of all futures months on the board for 2017 is \$67.50, representing roughly \$30 more per pig revenue than the best guess of the USDA. Know the risk management tools available and utilize them. If you need help, that's what we are here for.

China has become the world's largest pork importing country in the world. Japan is right behind them at number two. The United States has become

the second largest exporting nation. The European Union is first, bolstered by favorable currency rates to China. Competition for the Chinese market will intensify as more countries and

companies obtain pork permits. The Trans-Pacific Partnership would have been a huge benefit to

the US Pork Producers, and as we look at the new administration there are a number of people who support competitive trade which could be good for the ag economy.

Major food service and retail companies require hogs to be raised under certain management conditions in 2017. Sows are to be housed in group settings rather than individual units; this is creating a lot of discussion industry wide. Consumers want to know their food's origin, from farm to plate. This mindset of food safety will create opportunities for producers to develop niche markets. Our society is driven by activism. The influencers are foodies, social media and retailers' desire to differentiate themselves.

The Veterinary Feed Directives went into effect on January 1, 2017. The impact of the VFD remains to be seen as the dialogue surrounding disease resistance isn't going away soon. The human medical profession will need to take more responsibility for this

issue, since it's proven that the misuse of antibiotics is the major source of resistance.

2017 will be impacted by all of these factors. The emergence of three new pork processing plants, two in Iowa and one in Michigan, will provide more shackle space to slaughter more animals. This in turn will create more contract competition between processors. New contracts will be based on the CME, option markets, and meat based cut out, as well as live market based animal sales which should help promote better profit potential. With increased shackles space in Central and Northwest Iowa, there will be an immediate need for more confinement spaces. Sequentially this will help both the young farmers entering pork production and the established independent swine producers in the Remsen area.

As sports fans we tend to experience this sensation called outcome basis. Outcome basis is the process of minimizing the events preceding the outcomes and overemphasizing the results. The same holds true for swine production - when we are in good economic times we think we are invincible, just think of the PEDV days. When we are in lean times, like now, raising hogs stinks just like when our favorite team loses a game.....how will they win another game? They do, and we will too. There are better days ahead.

***THIS MINDSET OF FOOD
SAFETY WILL CREATE
OPPORTUNITIES FOR
PRODUCERS TO DEVELOP
NICHE MARKETS.***



Doug Baade,
Feed Division Manager



Amanda Reinders,
Beef Production Specialist

UFD: THE BOTTOM LINE

There's been a lot of talk leading up to the new antibiotic-use law taking effect January 1, 2017. I just want to remind you of what you absolutely must know about the VFD:

The Veterinary Feed Directive (VFD) starts January 1, 2017. Many medicated feeds, minerals and feed additives that have been available over the counter will require a VFD order. In addition, a number of water soluble drugs previously sold over the counter will require a prescription.

How does it work? To receive a VFD, producers will first need to have an established VCPR (Veterinarian-Client-Patient-Relationship). You are required to have a herd veterinarian of record who has seen your animals and can make a well-informed decision regarding the necessity of use of certain drugs, whether in feed, water, or minerals. Producers will need a signed and written order from your vet to purchase and use these products. You will also need to keep copies of VFD orders for at least two years to provide to FDA Inspectors for review if requested.

Which drugs are included? The FDA website lists the following drugs and/or combinations that are transitioning from over the counter to VFD status: Chlortetracycline, chlortetracycline/sulfamethazine, chlortetracycline/sulfamethazine/penicillin, Hygromycin B, lincomycin, oxytetracycline, oxytetracycline/neomycin, penicillin, sulfadimethoxine/ormetoprim, tylosin, tylosin/sulfamethazine and virginiamycin. Current VFD drugs include avilamycin, florfenicol and tilimicosin.

Water-soluble drugs transitioning from over the counter to prescription status include: chlortetracycline, erythromycin, gentamicin, lincomycin, lincomycin/septinomycin, neomycin, oxytetracycline, penicillin, spectinomycin, sulfadimethoxine, sulfamethazine, sulfaquinoxaline and tetracycline. Water-soluble drugs already only available by prescription include tylosin. This list is likely to change, and updates are expected. For more information visit the FDA website at www.fda.gov/AnimalVeterinary/DevelopmentApprovalProcess/ucm482107.htm.

Meet with the experts: You should have received information about a meeting scheduled for January 9. There will be a State FDA Inspector as well as a representative from Zoetis Pharmaceutical on hand to answer questions. We hope to see you there.

START THEM OFF ON THE RIGHT FOOT

The benefits of a good starter program are too many to count. Getting your calves a good start as soon as they come in sets them up to grow bigger, faster, and more efficiently. If you aren't utilizing a good starter program, you are only hurting yourself and your profit margin.

The purpose of a starter program is just that, to start your calves. It's the foundation on which their entire feeding period will be built upon. You want to get them off the truck and settled down as soon as possible. This will make them as efficient as possible for the upcoming period.

Starters are appetizing, drawing them to the bunk, and many have additives that will help them deal with stress so they settle faster and reduce the chances of getting sick in that critical period. Increasing intakes in the beginning period will be the easiest and most profitable pounds you put on the entire time that calf is in the feedlot, so why shouldn't you take advantage of it? The sooner cattle get back to eating, the better, because they need a good diet to have proper immune and rumen function. They will be able to resist getting sick in the first couple weeks, and thus have a better chance of staying healthy the entire time. Less illness leads to less time spent not gaining, and less money spent treating them.

Additionally, starters will help calves develop rumen bacteria that will be essential for them to move up to finishing diets, and to do so efficiently. Starting them off on the right diet prepares them for the diets ahead, making sure they get the most out of every step. Without the proper rumen bacteria, they aren't digesting and absorbing to their fullest potential.

Purina has starter programs to fit any operation, and is based off of forage, facilities, and management. If you aren't on a good starter program, you're missing out. Call today to get your calves the best start possible.



Every new season offers a fresh start.
Call us today to watch the opportunities grow in
your operation.

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**YOUR GROWING
SEASON STARTS
HERE**

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