PILOT GROVE COOPERATIVE ELEVATOR, INC. AUGUST 2014 MONTHLY NEWS

This time last month, I was having difficulty seeing to write a newsletter. Now, after having detached retina surgery in St Louis on July 2, seeing anything is improving. The specialist says that my family somehow has been blessed with below normal eye genetics, as I have had cataract surgery and detached retina surgery on both of my eyes, before age 55. Enough about that, is everyone geared up for one of the best potential corn harvests that we've seen in years? Soybeans have a ways to go, as there is a lot of growing season left for soybeans. It sounds (hopefully) like we are in for a good rain next week, which will support the late corn and soybean crop. Nationwide, there is a lot of talk about potential bumper corn and soybean crops.

Fungicide and insecticide application on soybeans has been going hot and heavy. Most of the applications have been aerial, and the Cooperative is utilizing planes from Sedalia and Boonville. If you have any questions about fungicide and/or insecticide on soybeans, give Pat or Earl a call today. The Cooperative can also apply fungicide with ground equipment.

COVER CROP SEEDING Cover crop season is just around the corner. The Cooperative has all the cover crop seed warehoused that you would need. Cereal Rye in bulk bags for $16.50 per 50 pound unit, and Cereal Rye80% with Wheat20%, 56 pound bags @ $14.25. Both the cereal rye and wheat have been cleaned and germ tested. In addition to rye, the Cooperative also floor stocks tillage radishes, annual ryegrass, vetch, turnips, crimson clover, winter and cow peas, buckwheat, and oats.

The Cooperative can custom blend any variation of cover crop seed that you want, and can load it onto your seed tender, or you can use one of the Cooperative's seed tenders. The Cooperative is currently installing a fertilizer blender/conveyer system to use strictly as a cover crop system. Last season, there was some contamination in area wheat fields, because the Cooperative only had one blender for all fertilizer and seed mixes. This added blender will greatly improve the Cooperative's capability to insure that no contamination of bulk fertilizer by foreign seed takes place.

If everything goes as planned, keep your eyes open for a **Cover Crop Meeting to be held in mid-late August.** At this writing, the meeting date has not been set.

SEED NEWS Be watching for our annual field day invitation to a steak dinner and crop tour. The date for this event has not been set, but it will be in late August or early September. Also, the Cooperative wants to do a lot of yield checks this fall, so give Larry or Ryan a call about doing a yield check on your farm. A day or two notice of when you want us would be great.

The Cooperative has a lot of choices for seed wheat this fall. We have bulk and/or bags, of several different public varieties and some private brands. The price list and offers available will be out soon.

NEW CROP GRAIN PRICING Every year I talk about how important it is to get some new crop grain contracted on the books. But, I only talk about contracting new crop grain for about six months, then usually when we're deep into the growing season, crop prices trail off, and the best opportunities are gone. Just like this year, I didn't mention grain contracting in the January newsletter, but did for February through June, then July. Only looking at the grain close for new crop corn and soybeans for the last trading day of the month, prices for soybeans were February-$10.34, March-$11.32, April-$11.92, May-$11.92, and July-$11.02. Prices for new crop corn were: February-$4.20, March-$4.68, April-$4.79, May-$4.79, and July-$3.95. Currently, new crop soybeans are worth $10.23 and new crop corn is $3.27.

Hindsight is 20-20. Congratulations to all that contracted new crop grain at these higher levels, your thinking I just didn't contract enough. The difference between the best month end soybean price and todays new crop contract price is $1.09 per bushel, which equates to $54.50 per acre for fifty bushel yield. The difference between the best month end corn price and todays new crop price is $1.52, which equates to $228.00 per acre on 150 bushel yield. So you see, contracting grain ahead of harvest at profitable prices can pay off. In February's newsletter this year, I talked about the costs of production and showed what price level you would need to contract grain at to be profitable. Many heeded that advice and locked some grain in, and or established some target orders. Grain prices are generally higher the first six months of the year.

FEED NEWS Feeder calf prices are going through the roof. Get all that and $100.00 per head more by feeding Kent Calf Creep Feed. Using the Cooperative's current booked creep feed price and being somewhat conservative on the value of the calf, below is a summary of a 93 day feeding trial completed by Kent Feeds.

63 pounds of Extra Grain @ $2.40 per pound = Value of Extra Grain	$151.20
343 pounds of Creep/Calf @ $285.00 ton, less cost of feed	$48.88
CREEP FEEDING PROFIT/PER HEAD	**$102.32**

Other added benefits of creep feeding include increased cow weight and condition, increase pasture carrying capacity, less stress on younger cows, facilitates early weaning, improves calf bloom and uniformity, and a quicker start in a feedlot.

The Cooperative still has a good supply of contracted creep feed available. We also have creep feeders for sale, and/or rentals are available. Also, remember that all Kent feeds are qualified for 0% interest on approved feeder finance contracts, until the calves are sold, or approved contract paid off date. Call the Cooperative for details.

JOHN DEERE FINANCIAL John Deere Financial has just come out with a fall fertilizer program for customers to use, to provide purchasing power and payment terms that fit the needs of their operation. The due in full dates allow flexibility for customers to pay off in tax year 2014 or 2015. In order for you to use this feature, you must have a multi-use account with and available Special Terms credit limit from John Deere Financial. All fertilizer must be paid for by January 30, 2015. Interest is 6%. If you are interested in this program, give Pat a call today. @834-5412.

WHEAT ON STORAGE With the large fall crop on the horizon, we are asking wheat storage patrons to consider cashing in their wheat. Wheat is a feed grain, and if corn prices keep sliding, there is no future in the wheat price going higher. Currently, you can sell cash wheat for more money, than selling wheat for January 2015. If you sell your wheat, but still want to retain ownership for a while, because you think the price could go higher, then you can purchase a wheat option. This would allow you to take approximately 95% of your wheat money, and still make money on the futures if wheat price goes higher. Seriously, there is no positive hope in the wheat price, with the bumper fall crop supply. Storage costs and interest costs and adding less value every day to the wheat price while you maintain ownership. If you are interested in buying an option, give Earl a call. If we don't buy enough customer wheat, and need to move wheat, we might have to put your storage wheat on a delayed pricing contract to free up grain storage space.