



ARMSTRONG BANCROFT BUFFALO CENTER BURT NORTH BURT CYLINDER FENTON HALFA LAKOTA LEDYARD LONE ROCK MAPLE HILL RINGSTED SWEA CITY

*“Committed to working and growing together for the future”*

## Seed News

*I would like to take this time and say thank you to all of you that recently attended our plot tours thru out the StatLine area. They were all very well attended.*

*The “Big Event” we held at the end of July was very informational. We could all be visual learners there, as we saw some things happening in the field that we may not see until harvest, and then wonder what happened. We saw a lot of root feeding on the Non-CRW traited hybrids. We do have the same genetics with different traits that we will take to yield this fall and we will have that data for you. I think there will be some wide spread yield differences in the same hybrids. Our hope is that these plots are a training tool for all of us and that we can help you in your agronomy and seed needs thru these plots.*

### Congratulations on these “BIG EVENT” door prize winners:

Todd Mathisen	Cylinder	Store and Ship Contract
Jeramie Faber	Burt	Store and Ship Contract
Paul Harrington	Woden	Precision Management Certificate
Roger Christensen	Ringsted	Precision Management Certificate
Ed Droessler	Lakota	3 Bags Croplan Genetics Seed Corn
Gary Vaske	Bancroft	3 Bags Mycogen Seed Corn
Gerald Twait	Graettinger	3 Bags NK Brand Seed Corn
Dan Christensen	Ringsted	3 Bags DeKalb Seed Corn
Lowell Jensen	Swea City	3 Bags Wyffels Seed Corn
Glen Olson	Ringsted	12 Bags Croplan Seed Beans
Ryan Boettcher	Algona	12 Bags Nutech Seed Beans
Esther Nelson	Ringsted	12 Bags Latham Seed Beans
Al Hovey	Algona	12 Bags Stine Seed Beans
Vaughn Borchardt	Fenton	12 Bags NK Brand Seed Beans

### Western Bean Cutworm Makes a BIG IMPACT

If there's a corn insect that has the inside track to pest of the year, its got to be the western bean cutworm. This pest as been damaging corn fields in the western corn belt for years but now has found its way here in our area of the corn belt and will show economic damage in fields this season. This pest will require us to step up our management strategies for the 2007 seed purchasing season. You will probably want to consider looking at some Herculex Bt corn hybrids that will control the western bean pest, such as Herculex 1 or Herculex extra. Vist with your local StateLine Cooperative agronomist for details on these hybrids.

### Find Value with Visitive Soybeans

New FDA regulations requiring food manufactures to list trans fat on nutrition labels are driving demand for low-linolenic acid soybeans. Stateline Cooperative is offering contracts to growers on the low-linolenic (Visitive) soybean market thru the AGP processing plants in Emmetsburg and Mason City, and also the CHS plant in Fairmont. The contracts can be signed here at your StateLine location, and a .40 cent Premium will be paid out when the contract beans are delivered at the processing plant. I have received a lot of calls on this program, and your cooperative does carry 5 brands with the Visitive soybean being one of the varieties. They range in maturity group 2.2 to a 2.5, with a much better Ph score than they have been in the past. These are all Roundup Ready traited soybeans.

*Thanks again to all that attended these tours*

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# From the Desk of Larry Sterk



September 8, 2006

## ***Annual Meeting***

We are completing another fiscal year. The financial information is being audited and the audit report will be presented to the board of directors mid September. We will still have a good year but earnings

will be somewhat less than last year. Repositioning the startup in the feed swine building project and grain positioning led to lower local earnings than last year. You will be able to get a full report at the annual meeting on November 27, 2006. The meeting will be held in the Fenton Community Center at 10:00 a.m. Patronage checks will be given out at 9:30 a.m. If you cannot attend the annual meeting we will mail out the patronage checks shortly after November 27, 2006.

## ***SLC Nomination Committee***

Two SLC director positions expire this year. The nomination committee has been working for the last couple of months to put a slate of candidates together. Those on the nomination committee are Todd Wegener, Chairman, Todd Glassnapp, Rodney Bierle, Mark Preston, and Verdean Mawdsley. Thank you to these people for their willingness to serve in this important democratic process of electing directors for the SLC board. I also thank those people who have consented to having their names put on the ballot. This list will be published shortly. The ballots will be sent with the annual meeting notice with a postage paid return envelope for your convenience. You can also drop off your ballot at any location or at the annual meeting on November 27. The results will be announced at that time.

## ***Better harvest Customer Service***

As we reviewed our 2005 harvest grain service performance to our customers we did not perform well. Over the winter, your board of directors and staff has put much effort into correcting our service mistakes. As we outlined in our March newsletter, we have made changes that will improve our grain receiving performance as well as committing to you that we will have the programs available for you throughout harvest. In our March newsletter we made the commitment that you can depend on our warehouse programs to accommodate your harvest service needs.

## ***Flexible Marketing Options***

Also, make sure you research our "Store & Ship" program which is designed to accommodate you in selecting the best market for your grain without you feeling the grain is "captured" to any one market. This SLC program allows you to deliver your grain to a location nearest to you and still gives you the option of selling it to any of several ethanol plants or feed mill markets. Check out the "Store & Ship" program at your nearest location or on our web site, [www.statelinecoop.com](http://www.statelinecoop.com).

## ***"Condo" Storage***

We have had some customers ask about "Condo" storage. Condo storage is when a company asks the customer to invest the customer's capital in storage on the company property. For the customer investment, the customer owns the storage at the elevator and the elevator will take care of the grain for an annual charge. Every company and every customer has different needs and multiple options to fill the needs of their operations. StateLine's position is that we are trying to revolve member equity. We do not feel that we should be going out to our members and asking them to reinvest in the cooperative for service and programs that should be provided to you in our normal operations. You can get the same benefits at SLC without investing your capital into assets. As I stated earlier, we are working to revolve equity by operating SLC as a business. You already have an investment in the cooperative system through the business you do with the cooperative. We feel that we need to run this company appropriately to provide you services you can depend on without having to re-invest your capital in the basic assets we should be providing for your use anyway.

## ***Continued Growth***

We are excited about the coming fiscal year! The additional storage your cooperative is building and the addition of the Cylinder Cooperative and the Maple Hill Agronomy business will enhance SLC's ability to continue to provide products and services competitively in the market place. We also understand that as you, our customers, continue to grow we also need to continue to grow and improve our service to you.

## ***Customer Service***

Last winter we hired a company called Inside Information located in Kansas City to work with us in putting together a survey to help us understand how producers are going to change and what their future expectations are. We sent out over 700 surveys and had a 25% response rate. Thank you to everyone who responded to this survey. Although there were no major surprises, the survey really reinforced the importance of customer service, grain programs, and

grain marketing information. Customer's expectations are they will continue to grow, and the speed and efficiency of SLC service will continue to be a top priority. Another point that was reinforced is that when customers were asked their thoughts about "Condo" storage, the interest and importance was very low.

## World Market Moved to Iowa

StateLine's transition in the grain market is a work in progress. Historically, producers would sell their grain to the world markets by delivering to a railroad loader and move the grain to the world market by rail. With the growth of ethanol, the world grain market has come to the producer's back door and can be reached by truck. For your cooperative to be of value to the producer, we must add value to your operation and SLC can do that by providing you grain services that can help you align yourselves with the best market. SLC is continuing to research relationships that will provide value to you. As you look at forward selling your grain, the rapid growth of the ethanol and the livestock industry will promote grain basis fluctuation that is unlike any we have never seen before. These fluctuations will be the norm and we need to give the producers the marketing options in multiple markets to take advantage of these market moves. SLC is the only cooperative I know that has a program for you to deliver your grain into a facility and allow you to market that grain to an outside market with no out charges. This way you do not have to feel that if you deliver grain to a location that does not have rail or a feed mill, you have the option with our pro-

gram to use the facility for storage and market your own grain to the most competitive market.

## Thank You,

I want to thank you for your support in this changing agricultural environment. For the past 9 years your cooperative has put into the local communities an average of over \$700,000 per year when you add cash equity allocation, cash revolvment and income taxes. In addition, SLC's payroll will run over 5 million dollar annually – all dollars back into the local communities. When the group of cooperatives got together 9 years ago to form StateLine, their goal was to make sure the cooperative system stays intact and has a positive impact in Northern Iowa and Southern Minnesota, it is happening. Your board of directors is very focused on positioning SLC to continue to serve customers and revolve equity back to the members. For the process to continue, we will make the changes and adjustments necessary to serve customers, stay profitable, and be the best we can for you our customers.

Thank you for your business. We look forward to being a partner to your success. Have a safe and bountiful harvest.

**Larry Sterk**  
General Manager

## StateLine Cooperative's Purpose

*To provide quality goods and service to help customers be successful in their enterprises. To that purpose, StateLine will use the highest degree of professionalism in directors, employees, facilities and equipment.*

### Main Office

PO Box 67  
Burt, IA 50522  
888- 920- 3555  
515- 924- 3555  
515- 928- 3560 (fax)

### North Burt Grain

1203 330th Street  
Burt, Iowa 50522  
800- 373- 8509  
515- 924- 3266  
515- 924- 3381 (fax)

### Ledyard

PO Box 127  
Ledyard, IA 50556  
800- 646- 2135  
515- 646- 2135  
515- 646- 3035 (fax)  
515- 646- 2650 (fertilizer plant)

### Armstrong

PO Box 286  
Armstrong, IA 50514  
888- 802- 3897  
712- 868- 3150  
712- 868- 3120 (fax)  
712- 868- 3465 (fertilizer plant)  
712- 868- 3281 (fertilizer fax)

### South Burt

PO Box 97  
Burt, IA 50522  
888-920-3241  
515- 924- 3241  
515- 924- 3242 (lumber)  
515- 924- 3239 (fax)

### Lone Rock

PO Box 368  
Lone Rock, IA 50559  
800- 298- 4246  
515- 925- 3590  
515- 925- 3524 (fax)

### Bancroft

PO Box 397  
Bancroft, IA 50517  
800- 298- 4196  
515- 885- 2642  
515- 885- 2327 (fax)

### Fenton

PO Box 110  
Fenton, IA 50539  
515- 889- 2251  
800- 721- 2251  
515- 889- 2252 (fax)

### Ringsted

PO Box 128  
Ringsted, IA 50578  
800- 469- 0581  
712- 866- 0581  
712- 866- 0580 (fax)

### Buffalo Center

PO Box 348  
Buffalo Center, IA 50424  
800- 852- 4718  
641- 562- 2404  
641- 562- 2847 (fax)  
641- 561- 2440 (fertilizer plant)  
641- 561- 2850 (fertilizer fax)

### Swea City

PO Box 160  
Swea City, IA 50590  
800- 574- 2178  
515- 272- 4406  
515- 272- 4381 (fax)

### North Burt Ag

1201 330th Street  
Burt, IA 50522  
800- 292- 0240  
515- 924- 3859  
515- 924- 3893 (fax)

### Lakota

PO Box 43  
Lakota, IA 50451  
877- 886- 2461  
515- 886- 2461  
515- 886- 2045 (fax)

### Halfa

5265 206th Street  
Armstrong, IA 50514  
712- 866- 2671  
712- 866- 2672 (fax)

**E-mail addresses for employees and locations are available at:  
[www.statelinecoop.com](http://www.statelinecoop.com)**

# StateLine Cooperative Grain News

By Dean Kohlmeyer

Some of you may be in harvest by the time you look at this newsletter. StateLine will once again be offering the best service we can deliver by accommodating your harvest dumping hours at all of our locations. Communication is the key for extending dumping hours and you are the foundation of the communication with the location serving you. We packed away the 2005 soybean harvest and will once again take the 2006 soybean harvest with the same level of service. We start planning for harvest in early spring and usually have a good part of our



rail transportation needs arranged by June. We adjust our harvest expectations as the summer progresses and as we hear about space needs from our customers. Once again, communication is the key to delivering the grain receiving services needed by our customers. If we know or can anticipate the need, we can position ourselves to provide the services needed. We look forward to serving you at harvest and throughout the year with grain receiving, warehousing and marketing opportunities. As always, we encourage you to make it a safe and fulfilling harvest.

We completed the additional 680,000 bushels of needed storage space at Ledyard just a few weeks ago and now will be able to offer an additional 680,000 bushels of warehouse storage space to all of StateLine's customers. This will mean that StateLine will now have over 19 million bushels of licensed warehouse space available. As time goes on some old space will go away and new space will need to be built to keep up with the demand for space. StateLine started offering the Store & Ship Warehouse Receipt for corn in 2004 in an attempt to help our customers capture the going local demand for corn. We stand committed to continuing the Store & Ship Program and offered the program again this year with no changes. We posted our Harvest Grain Policies in mid August at our locations and on our website. Our warehouse rates were lowered in 2006 by approximately \$0.0025 per month and a Price Later Contract is being

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offered during harvest. Other changes included an increase of the Drying Rate from \$0.04 to \$0.0425 and the Grain Bank free days going from 120 days down to 60 days. Just let us know if you want us to mail you a complete copy of our Grain Policies for 2006.

**We believe some of the key values we can bring back to your farm regarding grain are:**

- The ability to receive your grain when you want to move it
- Warehouse programs that let you market on “your time”
- Warehouse programs that allow you to capture market demand changes
- Providing you grain contracts and marketing information that allow you to make pricing decisions that are profitable for your operation

We feel that the Store & Ship Warehouse Receipt along with our regular warehouse programs cover the opportunities. We aren't aware of any other cooperative that offers you a warehouse program similar to the Store & Ship Program. The Accumulator contracts worked exceedingly well this year for our customers. Everyone is always happy when your contract price is above the market place. We'll continue offering Accumulator and other contracting programs and will give you the information necessary to make your decision based on an objective view of the possible gains or losses associated with the different marketing contracts or programs.

## Seed News continued

### The List of Seed Brands Your Cooperative Offers is:

CROPLAN GENETICS  
MYCOGEN  
DEKALB/ASGROW (MAPLE HILL)  
NK BRAND  
WYFFELS  
NUTECH  
LATHAM  
STINE

You can also get any trait needed for your operation thru these brands. Our agronomy team can help you figure out which hybrid and trait will work on your farm. We also have some very attractive programs and financing options in place for your 07 seed needs.

Remember to give your local StateLine agronomist a call this fall for yield checks, or if you want to compare weights on your yield monitor with our weigh wagon, give us a call.

**Thanks for your support on another record seed sales year.**

**Have a safe harvest,  
Steve Mulligan  
Seed Sales Manager**

# StateLine Agronomy Thoughts

If I had the ability to donate a dollar this year to “Save the Children” or UNICEF every time I or someone within earshot has been asked the question “What do you think this corn is going to yield this year”, I believe we might make a really good start at stamping out world hunger. While that statement might be a bit rash, I don’t recall heading into a harvest season when there has been so much collective apprehension and uncertainty connected with our corn crop than there is this fall. I’ve also asked the question many times myself of our Field Agronomists and customers that I know spend quite a bit of time in their fields, and the answer is invariably the same; “It’s all over the board”, or “I’ve got some better than last year, and some a lot worse than last year”. Good soil and crop management year in and year out can overcome a lot of Mother Nature’s challenge, but there’s no disputing the effect that this summer’s run of 90 degree days has had on even the best managed fields. I believe that overall we’ll have a respectable crop, but those 10 days in July sure took the cream off the peaches in much of our area.

With all the focus there has been on scouting and counting aphids the past few years, the summer heat also re-introduced us to an old pest, as Sammy the Spider Mite made his presence felt in our part of the world this summer. Spider mites are present in our soybean fields every summer,

but when conditions occur such as this summer, fungal diseases that usually keep the spider mite population under control are not present, and spider mite populations are free to explode. Fortunately we do not get this combination of events very often. In fact, it has been quite a few years since I have seen that much of the bronze “sandblasted” leaves and resulting defoliation along field edges & waterways. While there was really not enough of a spider mite presence to warrant widespread treatment, it did cause us to spend more time reviewing our treatment options for aphids. Fortunately, the conditions that enable spider mites to thrive in our fields also seemed to have a negative effect on our Aphid populations, and most of our customers were able to find other uses for their hard earned money by NOT treating fields for aphids just because some were present. While there are some legitimate differences of opinion regarding what constitutes a proper treatment threshold, we still believe that we need to do the best job of scouting & population estimation possible, in order to make an informed decision whether to treat or not. We believe that is one of the ways we perform our primary mission; that of helping to improve the profitability of your farming operation.

Another focus of ours this summer has been the safety of our customers and employees. During the past few years there



have been some very unfortunate incidents involving NH<sub>3</sub> tanks rupturing and causing injury or death to those in the immediate vicinity. This summer we have been begun a Federal Department of Transportation approved program to examine our fleet of NH<sub>3</sub> portable nurse tanks, both visually, and also by using a tool to measure the steel thickness of the vessel itself. We bleed the tanks off, removing all liquid and vapor NH<sub>3</sub> from them, and fill them with water. We then subject the tanks to a hydrostatic burst test. This also gives us the opportunity to examine liquid and vapor valves for proper operation, including the back-checks, pressure gauges, and pressure relief valves. Tanks that fail to pass any part of the inspection process are to be removed from service, and we did have a few that could not pass. We believe that our normal program of maintenance on these NH<sub>3</sub> tanks has been good, but with these new tests we are even more confident that our customers and employees will be

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better protected when handling NH<sub>3</sub> with StateLine equipment.

Thanks to you, our customers and owners, StateLine Agronomy has had a very good year in all areas. Our fertilizer volumes have grown at all locations, which means that our efficiency of operation has also improved, since we are putting more products through the same facilities. You have told us that you expect us to become even more efficient in our business, just as your own operations have done, in order to maintain profitability while keeping your cost of products as low as possible. Thanks to your business, we have continued to improve both in operational efficiency and profitability. This has enabled us to continue the necessary upgrades to equipment and facilities, particularly in the Precision Application side of our business. We have invested in a new Precision Fertilizer software system that enables our fertilizer recommendations and applications to integrate for the first time with our Oakland accounting software. The result will be improved and more flexible precision fertilizer recommendations, and a much more streamlined and efficient process to maintain your application records in a safe and easy to access manner. This will enable us to spend more time serving your needs, rather than duplicating efforts creating and maintaining field records. It should also enable us to be more accurate in our invoicing. This will not happen overnight, and I'm certain we will have a few hiccups as we all get accustomed to the new system. Please bear with us as we make these changes, since as we go to the future, maintaining your records will become ever more important to you in order to comply with future government programs and regulations that are likely to be implemented.

On the fertilizer front, we have again had a large amount of interest shown this spring and summer in getting more fields grid sampled or re-sampled

for variable rate application of fertilizer, both dry and NH<sub>3</sub>. Our Precision Application program is focused on making you more money, not just on applying less or more fertilizer to your field. Your yield maps are an important piece of the puzzle; they need to be GPS coordinated so we can treat your fields according to yields also, not fertility levels alone. StateLine's Precision business has grown because of the profit improvement our customers have seen from its use, not because we sell the program to cut or add fertilizer. When you look at a VRT recommendation map it likely will have a rainbow of colors, because that's how variable our fields usually are. If yours don't look that way, we'd like to show you how we look at soil fertility and its variability. Your knowledge of your fields, coupled with your StateLine Field Agronomist's fertility knowledge is a powerful combination when we work together. Tools like EC mapping help us to understand that variability, and that variability is something to work with. At StateLine we have invested in Precision tools to help take advantage of this field variability, not blend it together just to make easier field applications. After all, just doing it the convenient or easy way is not what you pay us to do.

Again, thank you for allowing us to be your supplier of choice this and every season. We will work hard to continue to earn that opportunity. We understand that your cooperative is only successful when you, our owners are successful, and we again say a big THANK YOU for the faith you put in us, and for supporting that faith with your business. As always, please don't hesitate to contact your StateLine Sales Agronomist or myself with any questions or concerns you may have. I can be reached at 515-924-3859, cell phone 515-320-1466, or e-mail [cpeter@statelinecoop.com](mailto:cpeter@statelinecoop.com).

**Chuck Peter**  
**Agronomy Dept Manager**





is pleased to partner with **farmerdata.com**  
to provide **FREE** Internet access to your

Scale Tickets							
Ticket	Date	Net Weight	Quantity	TW	Moist	FM	Dmg Hauler
S002391	08/01/06	30100.00	501.67	55.00	12.80	.50	.00 BOB
S002399	08/01/06	27400.00	456.67	56.20	12.50	.60	.00 BOB
S002498	08/04/06	25400.00	423.33	55.00	12.50	1.00	.00 BOB
S002499	08/04/06	33780.00	563.00	57.80	12.00	.80	.00 JACK
S002688	08/10/06	34460.00	574.33	58.00	12.40	.60	.00 JACK
S002710	08/10/06	29980.00	499.67	58.00	12.10	.90	.00 BOB

Account Information							
Date	Invoice	Quantity	U/M	Description	Sch	F Cash	Other Prepaid Regular
05/26/06	IN6655	10.00	gal	Harness	13	.00	.00 .00 750.00
05/25/06	IN6598	10.00	gal	Dual	13	.00	.00 700.00 .00
05/15/06	IN6124	.00		Pmt. "Thank You"		.00	.00 1500.00-
05/12/06	IN6110	1.00	gal	Roundup	13	.00	.00 .00 50.00
05/12/06	IN6115	20.00	bu	Corn for feeding	13	.00	.00 .00 40.00
05/11/06	IN6100	15.00	ea	Hog Panels	13	.00	.00 .00 250.00
05/10/06	IN6002	2400.00	lbs	18-46-0	19	.00	.00 .00 276.00
05/10/06	IN6002	2400.00	lbs	0-0-60	19	.00	.00 .00 174.00
05/06/06	IN5055	2.00	gal	Prowl	13	.00	.00 .00 150.00
05/05/06	IN5010	30.00	pal	Gloves	13	.00	.00 .00 100.00

Schedule F			
Sch F Line	Description	Company Amt.	Other Amt. Total
01	Livestock bought for resale	46906.00	.00 46906.00
04	Grain Sales	280625.00	.00 280625.00
05b	Taxable Coop Distributions	3261.00	.00 3261.00
11	Total Income	325167.00	.00 325167.00
12	Car & Truck Expense	3662.00	.00 3662.00
13	Chemical Purchases	9557.00	.00 9557.00
18	Feed purchased	35935.00	.00 35935.00
19	Fertilizer Purchased	24920.00	.00 24920.00
21	Gas/Fuel/Oil Purchases	6255.00	.00 6255.00
30	Supplies Purchased	800.00	.00 800.00
34	Other Expenses	5885.00	.00 5885.00

Scale Tickets  
Grain Bank  
POS Invoices

Settlements & Grain Checks  
Warehouse Receipts  
Prepays & Bookings

Outstanding Contracts  
Patronage Balances  
IRS Schedule F Data

You can access your account through [www.StateLineCoop.com](http://www.StateLineCoop.com). Under the **Tools** tab at the left, click on **"Patron Accounting"**. You will be asked for your account number and password. Your original password is the last 4 digits of your Social Security number (or Federal Id number). You can change your password any time online.

**farmerdata.com** will add LDP Worksheets later this fall

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P.O. Box 67  
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Burt, Iowa 50522