



Volume 06 • Sept. 2010

CONTACT:

515-924-3555
P.O. Box 67
120 Walnut St.
Burt, IA 50522
www.statelinecoop.com

IN THIS ISSUE:

Grain policy changes for fall	1
SDS widespread problem in soybean fields	2
Reflection on 2010 fiscal year; looking ahead	3
Pre Harvest Corn Inspection Important	5
Markets will continue to 'rock & roll'	6

Grain policy changes for fall

By Dean Kohlmeyer, StateLine Cooperative Grain Department Manager

As you head to the field for fall harvest, StateLine Cooperative reminds you of two changes in grain policies for this fall — **Soybean Moisture discounts** and a new **Price Later** program for soybeans. We have these policies posted on our website and available at any of our locations.



Soybean Moisture Discounts

The soybean moisture discounts will result in the same amount of value being charged, just a different way of calculating the deduction.

- Loads 14.5% and less will be averaged together. 13.1% - 14.5% will be discounted @ 3% of cash price per point of moisture.
- Loads 14.6% - 15.0% will be averaged together. 14.6% and above will be discounted @ 4% of cash price per point of moisture. Discounts will be calculated to the nearest 1 tenth of a percent.
- Any loads with moisture over 15.0% are subject to rejection and if accepted will be priced at delivery.

Price Later Service Charge for Soybeans

The soybean Price Later program is \$0.05 lower up front and could save you \$0.085 if held until the expiration of September 9, 2010.

\$0.20 for 120 days then
\$0.0005 per bushel per day =
approximately \$0.015 per month

Contracts expire Sept. 9, 2011

We stay open as long as you need us. Contact your SLC location for extended hours.

SDS widespread problem in soybean fields

By Steve Mulligan, StateLine Cooperative Seed Sales Manager



Over 90 producers gathered from around the area for the 2010 Big Event held at StateLine Cooperative's Answer Plot. For a list of the door prize winners, see page 4.

Sudden Death Syndrome (SDS) was a hot topic last month. The cause of the disease is a soil fungus that is wide spread throughout Iowa and the Midwest. It infects the soybean early in the plant's development. Later, the pathogen rapidly kills the plant during pod set and while pod is filling. Infection of the root is worsened by cool weather as well as soil compaction and poor drainage at planting.

Although there isn't anything we can do at this point to minimize the severity of damage from SDS, there are multiple management practices we can employ to help ensure SDS doesn't strike in the future. Ways to avoid future SDS damage include:

Crop rotation: Make sure you don't plant beans on beans in fields that have been hit with SDS.

Tillage: No-till practices allow soil to remain cooler and wetter longer, which can increase the severity of SDS.

Variety selection: Variety selection is incredibly important. Choose soybean brands that have high SDS tolerance.

Your cooperative offers many different soybean brands that have high SDS tolerance. Ask your StateLine Agronomist to recommend a brand of soybeans that has SDS tolerance.

A few things to remember as we move into harvest:

- 1) Keep a record of any problem areas in your fields so your Stateline Agronomist can help you plan for the next growing season.
- 2) Give us a call if you need your combine monitors checked. We have weigh wagons ready to help calibrate your monitors, and we can take yield checks for you also.

On behalf of the StateLine Agronomy team, thank you for your support and trust, by allowing us to provide your seed and agronomy needs. We will continue to help you get the most profits out of each acre.

StateLine Cooperative Crop Insurance

StateLine offers a full line of crop insurance with support of the area's largest staff of licensed agents and government certified staff. Paul Nerem takes great pride in staying abreast of all current federal crop insurance rule changes and programs available. Paul would appreciate an opportunity to work with you. You may contact Paul directly at 515-924-3892 or by asking for Paul at 800-373-8509; email: pnerem@statelinecoop.com. Paul's cell phone is 515-320-2973, should you need to contact him after hours concerning crop insurance.

Reflection on 2010 fiscal year; looking ahead

By Larry Sterk, StateLine Cooperative General Manager

We have completed the 14th year of StateLine Cooperative's existence. Preliminary accounting shows we should hit our budget of local earnings. I would like to say we are experiencing a more *normal* year, but I do not know what *normal* is as far as agriculture goes. Agronomy prices have come down and stabilized. If you have been following the consolidation of the plant food industry, price volatility and supply interruptions will be with us for the unforeseen future. Corn prices have come off the highs of \$6 per bushel and livestock profitability has come back.

The political challenges we see have kept the biodiesel credit from getting renewed and I wonder if the ethanol credits will get renewed. The talk of implementing Cap & Trade will escalate the cost of energy that agriculture is so dependent on. EPA seems to be rattling their saber about penalizing agriculture producers for allowing dust from your tillage and harvesting equipment to blow across your fence line. Now I see VeraSun bankruptcy is using the 90-day pull back option asking for repayment of grain settlements. We are in the midst of a huge egg recall that challenges the public's confidence in a safe and abundant food supply.

With all the changes occurring around us, and the political environment considering unrealistic regulations, I really wonder where there is stability.

Stabilizing your investment

One area of your business that remains stable is your local cooperative. We strive to assist you in leveling out the volatility in your business by purchasing plant food months before it will be applied as well as offering grain contracting services for you to market your grain up to 24 months ahead of when you will plant the crop.

Some ag supply companies and cooperatives limit how much fertilizer they will own or limit how far out they will let you contract grain. At StateLine, your board of directors has discussed the risk of owning fertilizer months ahead of when it will be used, and talked about the risks of forward-contracting grain 12 and 24 months out, and have decided that this is just another way to help farmers manage the risk of escalating fertilizer prices and offering sound grain marketing programs.

SLC expertise 'a farmer's best hedge'

We have a seasoned team of employees who will keep you informed on the latest production practices, update you on grain markets, and are ready to assist you in developing marketing plans that will enable your farming operation to achieve its profitability goal.

We have four employees who specialize in working with producers to market their grain. We have over a dozen agronomists who specialize in working with producers in crop production. We have over 135 employees whose primary focus is to provide service to you, our customer, in an ethical and professional manner.

These assets of StateLine Cooperative, combined with your ability to source this knowledge of what your cooperative can do for you, is the stability you need to navigate through changing times. I have always believed very strongly that the local cooperative is a key tool for farmers to keep the playing field level. I believe it is more important now than ever, that a healthy local cooperative, StateLine, is a farmer's best hedge to manage profitability.

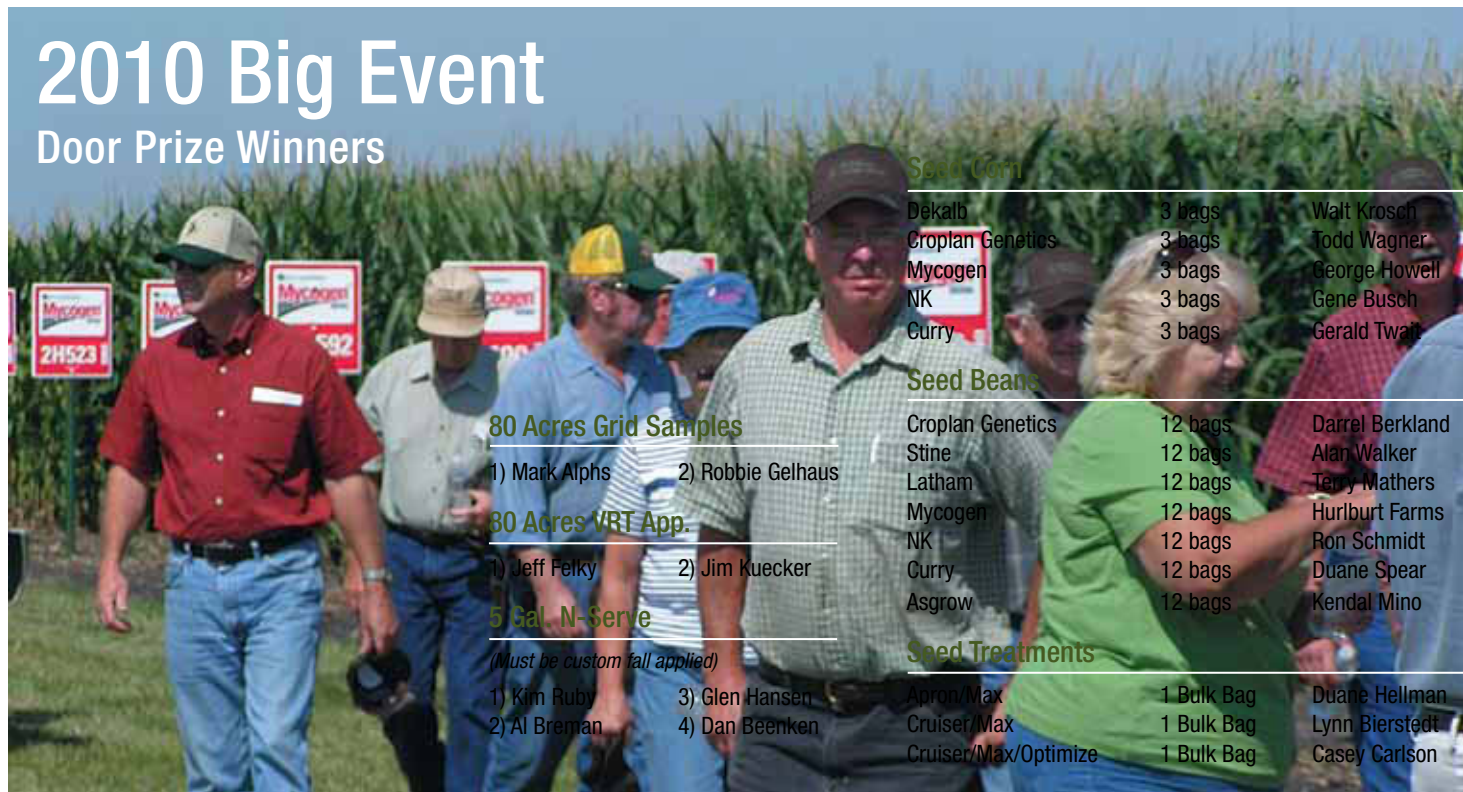
We are continuing to clean facilities up and upgrade our grain receiving and drying capacities as well as agronomy and feed equipment. We may not need the additional drying capacity this year but long term, last year taught us that as yields continue to increase, there will be years when corn will come out of the field wet.

Locations positioned to take more bushels this fall

There are a lot of rumors out there about some companies having large amounts of grain on hand going into this harvest. In addition to a lot of grain, I hear reports that some companies have more than a normal amount of damaged grain on hand. At StateLine, we take very seriously keeping grain in good condition. Letting grain go out of condition for any reason, is a case of poor judgment and a disservice to the agricultural industry as a whole. When we observed the quality of the 2009 crop and understood the potential for grain going out of condition, we marketed grain earlier than we wanted to, giving up some basis appreciation to make sure we could ship unit trains with number 2 yellow corn.

2010 Big Event

Door Prize Winners



80 Acres Grid Samples

1) Mark Alphs 2) Robbie Gelhaus

80 Acres VRT App.

1) Jeff Pelky 2) Jim Kuecker

5 Gal. N-Serve

(Must be custom fall applied)

1) Kim Ruby 3) Glen Hansen
2) Al Breman 4) Dan Beenken

Seed Corn

Dekalb	3 bags	Walt Krosch
Croplan Genetics	3 bags	Todd Wagner
Mycogen	3 bags	George Howell
NK	3 bags	Gene Busch
Curry	3 bags	Gerald Twain

Seed Beans

Croplan Genetics	12 bags	Darrel Berkland
Stine	12 bags	Alan Walker
Latham	12 bags	Terry Mathers
Mycogen	12 bags	Hurlburt Farms
NK	12 bags	Ron Schmidt
Curry	12 bags	Duane Spear
Asgrow	12 bags	Kendal Mino

Seed Treatments

Apron/Max	1 Bulk Bag	Duane Hellman
Cruiser/Max	1 Bulk Bag	Lynn Bierstedt
Cruiser/Max/Optimize	1 Bulk Bag	Casey Carlson

Going into the 2010 harvest, StateLine has fewer bushels of beans and corn on hand today as compared to last year. We are positioned to take in more bushels than what we received last year on the record 2009 crop.

SLC employees devoted to serving you

I want to close by thanking the employees of StateLine Cooperative for the hard work and dedication they have given to the cooperative to make this another successful year. They are the ones that put in the extra hours to serve you when time and weather are short. Last year when the first snow storm was on the way, we had a location stay open after midnight so farmers could get done harvesting. Hopefully, we will have nice weather for harvest this year. Even so, we will run extended hours to assist you in getting your harvest in before winter. This fall when you ask "How long are you going to be open?" our response will be **"How long do you need us."** We already deliver feed 20 hours per day and a minimum of 5 days each week. This time of year, all employees will pitch in where needed to provide the service you come to expect.

We are **"Committed to Working and Growing Together for the Future"** and more important, the StateLine Cooperative is a people business, offering both "Real People, Real Pride." Thank you for your business and we look forward to serving you in the future.

StateLine Annual Meeting

November 29, 2010

Ledyard Community Center – Ledyard, Iowa

StateLine Cooperative's Annual Meeting will be held Nov. 29 at the Ledyard Community Center. The event begins with refreshments at 9:30 a.m. with the meeting starting at 10:00 a.m. The nomination committee is finalizing a slate of candidates to run for the Board of Directors. An annual meeting notice and ballot will be mailed to all members shortly after Nov. 1, 2010.

Kim Dreyer has served the maximum consecutive terms as a director, so Kim is not eligible to run on the board at this time. "Please join me in thanking Kim for his service and dedication to the formation of StateLine Cooperative in 1996 as well as serving on the cooperative board of directors since its inception," General Manager Larry Sterk says. "Thank you to your family for picking up the duties on your business operation while you were serving on the board."

In reference to the nomination committee, if you are asked by the nomination committee to run for the board of directors, please sincerely consider this invitation, Sterk requests. "Being asked to serve is an indication that you are well respected and have skills that would be beneficial to serve on the team of directors that will guide SLC into the future," he concludes.

Pre Harvest Corn Inspection Important

By Steve Mulligan, StateLine Cooperative Seed Sales Manager

As you move closer to harvest, keep a watchful eye on stalk quality. It may prompt some producers to harvest some corn fields before soybeans this fall. Early identification of anthracnose and other stalk rots can help prioritize fields and minimize loss at harvest.

Conditions throughout the summer were ideal for anthracnose: warm, moist weather with extended periods of overcast skies and high humidity. High yield potential and other stresses, such as foliar diseases and insect damage, are often associated with stalk rot as the plant must pull carbohydrates and sugars from other tissues. This cannibalization weakens stalks and roots, making them more susceptible to stalk rot.



Plants severely damaged by the stalk rot phase are unlikely to remain standing until the normal harvest period. So preparations should be taken to harvest problem fields early.

Although high grain drying costs may be a concern when harvesting wet grain, this expense will likely be a better option compared to the loss of yield potential due to increased lodging later in the fall. Your StateLine Cooperative agronomy team can help you scout fields for potential stalk lodging. Scouting these problems can be broken down into two methods:

The Pinch Test: Examine the lower nodes of 10 plants in a row in several places in the field. Squeeze or pinch each stalk a couple of nodes above the ground. If more than 10% of the stalks collapse easily when squeezed, that field may need to be harvested early.

The Push Test: For ten plants in a row, in several locations in the field, push each stalk 45 degrees. If more than 10% of the stalks lodge when pushed, that field will need to be harvested early.

Always take notes of any issues you see in an area or whole fields and bring this into your StateLine Agronomist. It will be useful information when choosing hybrids for the next growing season.

Markets will continue to ‘rock & roll’

By Dean Kohlmeyer, StateLine Cooperative Grain Department Manager



StateLine Cooperative’s producers often refer to the volatility in the markets as “rock & roll,” says Grain Department Manager Dean Kohlmeyer. Well, put your dancing shoes on, as the volatility in the markets will continue into next year. “Those customers that place offers with us have found that the offers gave them the target prices they were wanting without the hassle of constantly monitoring the markets,” Kohlmeyer adds.

“We again encourage you to give us your offers, we’ll watch the markets for you and notify you when the market rallies and fills your offers. If you’re looking for price charts or futures charts, give us a call.” The StateLine Cooperative (www.statelinecoop.com) website offers price charts and futures charts of all active bids. We want you to reach your price targets and will gladly show you the tools we have to assist you, no dancing shoes required, Kohlmeyer adds.