Gold-Eagle Communications

Gold-Eagle Cooperative Mission Statement

Providing Quality Services And Products Innovatively, Profitably And Professionally

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800-873-1797	866-210-9734	800-825-3331	888-824-3214	866-210-9733	888-576-1843	888-581-2462	866-212-3890	866-203-9656

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February 2010

Just The Grain Facts

By Duane Madoerin

Well, after the trade was done boiling down all the figures in the January USDA Report on final production, most traders came away with the message: ***The Sky Is Falling!***

One analyst stated: ***"Good heavens! From the markets' reaction you'd think the USDA had come out with a corn production number of 14 billion bushels, banned ethanol, and eliminated the CRP!"***

Numerous other responses and reactions from traders were, though not quite as drastic, similar in tone.

As of this writing January 26th the March corn futures had lost 60 cents (14%), and the December new crop corn futures had lost 52 cents (12%).

We are now poised 47 cents above the March futures low of $3.15, and a massive $3.49 below the high of $7.11 posted on June 16, 2008.

March soybean futures have lost 63 cents (6%), November and new crop futures have lost 61 cents (6%).

March soybeans are staged $1.43 above the $8.05 low put in on March 3, 2009, and a whopping $4.54 below the contract high of $14.02 that was posted on July 21, 2008.

The overall market attitude has definitely shifted to the bearish side of the aisle. The carries in the market have widened, and corn quality is a serious concern in the industry.

These are definitely not bullish fundamentals.

We need to keep in mind that rather than the traditional forces of supply and demand providing the support that carried the markets higher, it was ***"Big Money"*** that recently got us to $4.25 by adding 200 million bushels to their long position.

When this outside buying subsides (or liquidates), the markets will trade lower even though farmer selling is light. These are the ***"Facts Of Life"*** in the current high volatility, emotionally charged and Fund driven markets we now operate in.

We can now start to watch for other news the trade will be starting to focus on now that they have digested the January figures and have the supply side factors established by USDA.

**** With February upon us***, one of the topics of debate will be the acreage mix for the 2010 corn and soybean crops. The loss of 6 million wheat acres, along with 2 million acres that are set to exit the CRP program, frees those acres to shift to other crops.

**** The South American*** corn and soybean crops are doing well according to the latest reports, and record production is expected.

**** On a more positive note,*** profitability is returning to the livestock and ethanol industries, and global demand for all crops is up for the 14th consecutive year.

**** World ending stocks*** of corn in days of usage are the lowest in three years and the world's total coarse grain stocks are down to 6 days' usage compared to last year.

The world depends on rising production to feed itself, and it is very sensitive to any crop production crisis, regardless of whether it is one created by natural forces or, as Brad has discussed in his article, one that is humanly inspired.

The December 1st quarterly corn stocks numbers that were reported on January 12th made it clear the farmer has sold his soybeans and is holding on to the corn.

The total on-the-farm corn stocks are now estimated at 7.45 billion bushels, the highest since the CCC days of the mid 80's, and an incredible 963 million bushels above last year.

Four states, Iowa, Minnesota, Nebraska and South Dakota account for 640 million bushels of these stocks, with Iowa having the highest on farm stocks in the state's history.

Whether the quality of that corn will hold up in storage is another major issue, and one that is causing concerns

GRAIN FACTS
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New Seed Treatment System Installed At Titonka

The new Gustafson RH-2000 seed treating system that will be treating customer's seed at Titonka features a 2,000 bushel per hour capacity and automatic pump speed compensation to assure precise application rates even when seed flow changes, thus preventing over and/or under treatment. The variable speed drum control feature also provides maximum blending efficiency.

Stu's News

By Stu Pannkuk

I am sure many of you know that we already have seed treatment systems at Wesley, Renwick, Goldfield, and Thor and, as I mentioned in last month's newsletter article, Gold-Eagle Cooperative has recently purchased a new seed treatment system for the Titonka Location.

It is our ultimate goal to have the ability to treat your seed at all locations in the future.

When you examine the photo of this new system on the front page, you can certainly understand why the ***Gustafson RH-2000 Commercial Series Treating System*** is recognized as the ***"top-of-the-line"*** compared to other makes and models.

We feel this is an excellent addition to our seed treating capabilities, and we feel our customers will continue to benefit in many ways when they have Gold-Eagle treat their bean seed prior to planting.

Now, I'm sure there may still be some of you who are asking: ***Why treat soybeans?***

So let me offer some of the basics I feel will answer that question.

As everyone is aware, seed and seedling diseases are very common with soybeans, and when your stand is attacked these diseases can decrease plant populations that result in re-planting and production losses.

There are several different pathogens that can cause these diseases, but the most common ones tend to be among the following:

Phytophthora - This disease attacks and rots seed prior to emergence and can cause pre and post-emergence damping off.

It produces tan-brown, soft, rotted tissue and its favored environment is in wet and warm soils.

Pythium - This disease acts much the same as phytophthora. It also damages the roots of established plants and in many cases the plants may be stunted. Pythium is most common in wet and cool soils.

Rhizoctonia - This disease can damage seed and plants prior to or after emergence. It shows up as a firm, rusty-brown decay or sunken lesion on the root or on the lower stem. Rhizoctonia can most commonly be found in wet and warm soils.

Fusarium - Finally we come to fusarium, which can also damage seeds and seedlings. It causes light to dark brown lesions on roots that may spread over much of the root system.

Different species of fusarium are found in different soils. Some species may prefer warm and dry soils, while there are others that may prefer cool and wet soils.

Regardless of the specific disease or diseases you encounter in your soils, treating the seed with a good fungicide can effectively protect your seed and the vulnerable seedling from these harmful diseases at a very low cost.

Gold-Eagle Cooperative applies a product manufactured by Bayer CropScience Company labeled as Trilex 2000, which is sold to us packaged with a colorant and protective seed coating named ***"Bayer Pak".***

Trilex 2000 is a combination of two proven fungicides. The first fungicide is Trilex (trifloxystrobin), the same active ingredient as in Stratego. The Trilex portion of the treatment greatly reduces the damage from Fusarium and Rhizoctonia.

The second fungicide is Allegiance (metalaxyl) which is effective against Pythium and Phytophthora.

In conjunction with treating for seedling diseases, Gold-Eagle Cooperative also offers treating the seed with a catalytic seed treatment call ***"Pro-Surge"*** which promotes improved stands due to a higher percentage of the seed developing into healthier plants. Pro-Surge will also improve plant vigor.

In addition to these treatments, I also encourage you to please check with your local Gold-Eagle Cooperative Agronomist to ask about treating your soybean seed with an insecticide and/or a soybean inoculant.

The bottom line in successful soybean production starts with treating seed prior to planting, since both the seed and the seedling are at their most vulnerable and susceptible stage to attacks and invasion by diseases and insects during the earlier stages of the growing season.

We have seen solid and consistent economic benefits from the seed treating products and services offered by Gold-Eagle Cooperative, and now is the time you need to be talking to your Agronomist to plan and make the best soybean protection decisions for the rapidly approaching spring.

Thank You Growers Gold-Eagle Cooperative wants to thank all of our growers who purchased chicken litter from G-E Max Nutrients this year.

Also, now is the time to place order s for this fall if you are planning to apply chicken litter after harvest.

In Closing: Your Gold-Eagle Cooperative supports the efforts of the I.S.U. Research Farm, and I ask all of our customers to please take a few minutes to review the enclosed special insert to this month's newsletter.

Hopefully you can find time to attend this information meeting.

GRAIN FACTS

Continued From Page 1

to grow throughout the trade.

When we compare this year to last year, there are over 1 billion bushels more corn that will need to move from the farm to the market in the months ahead, and that does not take into account the 2009 corn that remains to be harvested.

The USDA crop progress report indicates there is about 600 million bushels of corn still waiting in the fields for the combine: 65 million bushels in North Dakota, 85 million bushels in South Dakota, 100 million bushels in Illinois and 88 million bushels in Minnesota.

In closing we want to say congratulations and thank you to those of you that have been using our grain offer program to make some excellent returns on sales.

It is good to see the discipline in marketing that is developing to establish and follow a plan that leads to marketing for a positive margin. ***Profit Is Always Good!***

Grain Quality Issues An Industry-Wide Concern

By Your Gold-Eagle Grain Team

Please Check Your Grain! This year's corn crop has significant quality issues as a result of the cooler growing season, delayed maturity, higher moisture at harvest and, in many cases, lighter test weights as well as increased handling in drying down corn.

All of these things and more lead to one sure and obvious conclusion:

THIS CORN CROP WILL NOT STORE WELL

We are also getting many reports of snow blowing into the top of grain bins and creating problems. A good management practice has been to core out bins, and we feel this year this practice will be very important for all of our customers who have stored corn on the farm.

Lighter test weight corn has a very short shelf life! In fact, a single "coring" may not be enough to maintain the grain quality you need to prevent substantial economic losses at selling time.

ISU Research Farm
annual meeting & program

March 9, 2010
9:00 a.m. - 2:00 p.m.
Community Center, Wesley

8:30	**Registration**
9:00	**Corn Research Farm at Northern Iowa Research Farm,** ***Roger Elmore***
9:45	**North Iowa Soybean Research Update,** ***Paul Kassel***
10:30	**Break**
10:45	**The Cost of Convenience: The Impact of Weeds on Crop Yields,** ***Bob Hartzler***
11:30	**North Iowa Research Farm Annual Meeting**
12:00	**Lunch -** ***Sponsored by Gold-Eagle Cooperative, MaxYield Cooperative and North Central Cooperative***
12:45	**ISU Research Farm Status in a Tight Budget Year,** ***Mark Honeyman***
1:00	**Crop Profitability and Price Outlook,** ***Don Hofstrand***
2:00	**Adjourn**

Meeting open to:
Association Members & All Interested Persons

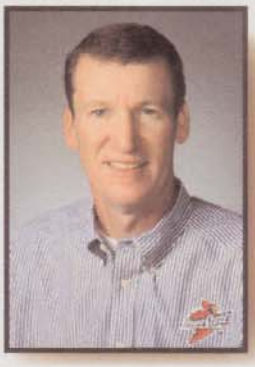
Pre-registration requested by calling the
Hancock County Extension Office at 641-923-2856 by Friday, February 26.

Roger Elmore

Bob Hartzler

Don Hofstrand

Mark Honeyman


Paul Kassel

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Chris' Comments
By Chris Petersen

Last month I talked about Avicta Complete Corn, one of the ***"Little Things"*** that can make ***"Big Differences"*** for the crop our customers will soon plant.

This is the time of the year we all search for those ***Little Things,*** and we are able to evaluate them through meetings, by talking with neighbors, through research on university web sites and, of course, with your local Gold-Eagle Co-op Salesmen.

So many of these ***Little Things*** all ***Cost A Little Extra*** per acre, and I am sure there are times when it may seem like these ***"extras"*** are going to just nickel and dime a guy to death.

Maybe the thought process goes something like this:

You sit back, add up the total bill, and find yourself realizing the small price per acre here and there adds up to a nice sum of cash.

So you start having second thoughts and doubts that make you wonder if it was really the right decision, and if you should be risking more expense on something not everyone else in the area is doing.

This reminds me of what my mother always asked me when I was a little kid whenever I wanted to do what everyone else was doing:

"If all these other kids jumped off a bridge, would you do the same thing?

You will never get ahead in this world if you only do what everyone else is doing."

Doing something different from what everyone else is doing can be a hard thing to put a dollar value on, especially when whatever you do could end up going one way just as much as it could end up going the other way when it comes to dollars and cents.

After all, it's your dollars and cents that we are talking about, and only you have control of how you spend or invest them.

So I imagine after saying this it may seem ironic that once again this month I want to talk about another one of those ***Little Things*** I feel can make a ***Big Difference.***

You may think to yourself I'm just trying to sell something to make a buck on something you really don't need, but I want to assure you that couldn't be further from the truth.

I know the record corn yield is 368 bushels per acre, whereas the current national average yield for corn is coming in around 153 bushel per acre.

And I know the record soybean yield is 154 bushels per acre, with the current national average yield for soybeans being only 39 bushel per acre.

What these figures point out is that corn and soybeans have the potential to yield a lot more than what we experience with our local yields.

Yes, there are big differences that are out of our control like weather, soil characteristics and climate.

We live in the heartland, where ***Corn And Soybeans Are King*** and there is no state or country in the world that can produce as much corn or as many soybeans per acre as we do in Iowa.

With that all said, this is where I come to the point that we all should be looking for those ***Little Things*** that will make a ***Big Difference***.

The product I want to talk about this month is ***SMART STAX*** corn hybrids, since this will be the first spring you'll be able to raise SmartStax corn hybrids, the new GMO combination of insect protection traits.

SmartStax gives you the most complete, broad range insect protection for corn on the market today, providing protection against

Wireworm
Seed Corn Maggot
Black Cutworm
Corn Rootworm
European Corn Borer
Western Bean Cutworm
Corn Earworm
Fall Armyworm.

These insect pests can and do add major stresses to corn which lower crop performance and yield potential, and no other trait combination on the market today can provide you with this same level of protection.

SmartStax also contains both the Roundup Ready 2 and Liberty Link technologies that represent the best herbicide tolerance traits on the market today.

At no time in history have farmers ever had this most complete and comprehensive level of insect and herbicide protection, and this illustrates what I am talking about as one of those ***Little Things*** that makes a ***Big Difference.***

Furthermore, to address the notion that this is just one more of those ***"extras"*** that some feel nickel and dime them to death, Monsanto has included their ***Satisfaction Promise*** with their SmartStax corn hybrids.

If you purchase a minimum of 33 units of SmartStax hybrids from Monsanto and you are not satisfied at the time you harvest the crop that your SmartStax corn didn't perform to the level necessary to justify the added cost, contact your dealer and through a simple process Monsanto will reimburse you with 6 units of seed corn.

The value of this seed corn would equate to the extra cost associated with buying the 33 bags SmartStax compared to the purchase of a VT Triple hybrid.

Knowing that we will soon see our selection and new hybrid releases all becoming SmartStax hybrids, my suggestion is to evaluate how much the SmartStax trait brings to your fields by running a comparison.

Monsanto has a RR2 hybrid (DKC50-47) that a lot of you have had some experience with.

This hybrid has been a strong seller for Dekalb, and Monsanto decided this hybrid was going to be one of very few hybrids they converted into a SmartStax hybrid for this spring.

To run a solid comparison I would plant 33 bags of DKC50-47 RR2 and 33 bags of the same hybrid DKC53-45 SmartStax side by side and see for yourself if the SmartStax trait does indeed pay for itself.

If not, Monsanto will reimburse you with 6 free bags to cancel out the price difference that you paid for the SmartStax.

This is one of those ***Little Things*** that can make a ***Big Difference***, and you can put it to the test for yourself without worrying it is going to nickel and dime you to death.

I therefore encourage you to contact your Gold-Eagle Agronomist as you're finalizing your 2010 seed orders and ask us about ***Monsanto's Satisfaction Promise.***

Stu's Quote Of The Month

"By The Time A Man Is Wise Enough To Watch His Step He Is Too Old To Go Anywhere"

Billy Crystal

Brad's Views

By
Brad Davis
General Manager

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Goldfield, Iowa 50542

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By now I am sure most everyone has read or heard something about the ***American Clean Energy & Security Act***, or as it's more commonly referred to ***"CAP & Trade"***, which is the legislation passed last year by the U.S. House of Representatives that could ultimately have some very dramatic affects on crop and livestock production in this country for the future.

There are a lot of complex and far reaching issues involved, and as with most issues that deal with the environment, there are strong emotions on both sides of the debate.

At AGP's recent annual meeting in Omaha, there were a couple of very informative and interesting presentations that were made discussing ***CAP & Trade*** and offering what I felt were some valuable insights into how this act could reflect significantly on production agriculture as we move into this next decade.

The presentations were made by Gary Olsen, Senior Vice-President of Grain at AGP, and by John Campbell, Senior Vice-President of Industrial Products & Government Relations for AGP.

John Campbell has a distinguished background in agriculture, and was one of the major contributors in writing the national Farm Bill during the 1980s and early 90s.

Here are some of the items included in their presentations that I feel will illustrate the importance of everyone being informed about ***CAP & Trade*** so we can offer informed views and input to our elected officials about our feelings on it.

At the heart of the issue is the concept of ***"sustainable agriculture"***, a concept most of us engaged in the agricultural sector of the economy have long accepted as the sound stewardship of the land and other resources essential to crop and livestock production, but which in more recent years has gained significantly greater attention from environmentalists as they have entwined those agricultural pursuits with climate changes, global warming, carbon footprints, etc.

The goal and, at the same time, the challenge of production agriculture has long been to feed the world's growing population using fewer inputs to produce more food on less land, while using less energy and water.

Over the years, producers have been able to do just that, especially here in the United States, and even today the trend of using less to produce more continues, despite the fact that the world's population, which has reached nearly 7 billion, and which is still expanding.

Spurred on by highly motivated environmental activists and the emotionally charged issue of global warming, Congress and the Environmental Protection Agency (EPA) has responded with ***CAP & Trade***, part of which imposes a fee to be paid for the greenhouse gas emissions (carbon footprint) ag businesses like AGP creates through its manufacturing processes.

While the price of carbon is a completely unknown factor, the EPA has estimated it would start at around $15.00 per ton and increase to nearly $70.00 per ton, which for AGP alone could increase their production costs by nearly $80 million annually over the life of the legislation.

The EPA's ***"theory"*** is that businesses like AGP will be able to find new technology to cut their emissions rather than pay these high fees, ignoring the fact that they and most other industries have been cutting back for many years.

That is the ***CAP*** portion of the legislation. The ***TRADE*** portion is where you, the American farmer, come into the picture.

If passed by the Senate and signed into law by the President, ***CAP & Trade*** would take nearly 60 million acres out of production here in the United States over the next 40 years.

Those who favor this scenario of ***CAP & Trade*** say the fees paid by industry will be paid to farmers to plant trees, thus reducing soybean production by 30% and corn production by 20%, a process they refer to as carbon sequestration, but which is nothing more or less than just another form of grain supply control program.

Our past experiences with supply controls have been a disaster, ranging from the embargo of trade with the former Soviet Union in the 80s to the massive storage and acreage idling programs that followed, all of which enabled the rest of the world's grain producers to step in and seize an increasing portion of our share of the world market.

It should be obvious to the proponents that our competitors around the world would certainly welcome another supply control program like ***CAP & Trade***, since they have shown no inclination or intention of slowing their growth or ending their grain subsidy programs, and they will certainly enjoy not facing the same production costs or supply controls ***CAP & Trad***e will impose on us.

However it seems they are virtually oblivious to the response of our competitors, as if a unilateral action solely by this nation's farmers will serve as the cure all for what is clearly a globally impacted environment, one that requires all nations, not just ours, to work together and, if necessary, to make certain sacrifices to protect.

These are just a few of the items that were included in the presentations by AGP's John Campbell and Gary Olsen that I felt were very interesting and worth sharing with all of you.

I feel they should help illustrate the potential implications of ***CAP & Trade*** on agriculture, and hopefully you will follow these issues more closely now that you can see how it may also apply to you.