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January 2010

Just The Grain Facts

By
Duane Madoerin



There are less than 48 hours remaining in 2009 as I write these words, and while this year did indeed have its share of volatile moments in the grain markets, in the long run corn and soybean prices were much quieter than they were in 2008.

Soybeans were really wild in 2008, with a trading range that had a difference of \$9.00 per bushel between the yearly high and low points.

While the trading range of \$4.00 between the 2009 high and low is still a considerable one compared to most years, that's less than half the price move experienced in the wild and wooly 2008 bean market.

Corn was also wild in 2008, with a \$4.00 per bushel trading range between the low point of \$3.50 and the high of \$7.50, so the \$1.50 difference between the high and low in corn for 2009 also reflects a calmer market.

As Brad has noted in his article this time, we were closing the year out with corn and soybeans both trading in the higher reaches of the 2009 price range, and it is not all that often we see this happening.

While those who follow the fundamentals in the markets might suggest corn in the \$4.00 range and soybeans trading around \$10.00 are high priced values, those in the investment community actually view these as bargains.

This is being reflected virtually daily,



New John Deere 4930 Post-Emerge Sprayer Brings State-Of-The Art Capabilities To Your Fields

The latest addition to your assets is this new John Deere 4930, which will be At Your Service as we begin the 2010 spraying season this spring. See "Stu's News" for additional information on this fine new sprayer

as new recommendations from the financial sector are urging greater investment in commodities, especially agricultural commodities and in gold, both as a hedge against inflation.

There are also reports that some of the large fund investors are changing their investment mix by reducing their allocations to energy and increasing their allocations to ag commodities, with the inflationary hedge as well as the desire to keep their holdings within the speculative limits as the basis of these adjustments.

Based on the moves these investors are making, the grain trade is anticipating the funds to be very active in buying the corn market during the first 2 weeks or so of the new year, with some estimates of their buying spree suggesting they'll acquire some 65,000 corn contracts, or 325,000,000 bushels of corn.

While the shift to being more aggressive in the ag commodity mix does not automatically translate into a

guarantee of prices moving higher, it does help decrease the odds of us seeing the more traditional "cheap" prices for corn and soybeans that have been common to start out most new years.

However, even though the odds of seeing bargain basement prices may have been reduced, we could still have some sharp price breaks take place, especially if the actively managed funds have a change of heart about their investments/holdings, and even if it is only a temporary one.

We also have to keep in mind that while soybeans have had a gain of around \$1.50 in value since the beginning of October, most of this has been attributed to export demand.

Virtually all of that demand overseas is coming from China, which seems to have an insatiable appetite for our beans thanks to the short 2008/09 bean crop in South America.

GRAIN FACTS
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**Stu's
News
By
Stu Pannkuk**

It's December 30th when I'm writing this newsletter article, and to say the least we have had some very "interesting" weather this past fall, and it appears we are starting out this winter on the same note.

I blew the "gifts" from Mother Nature off my driveway three times between Christmas and the weekend, and the first time it was like blowing slush - **No Fun.**

And the unsettling thing is that it's only the end of December, which means we still have 2 to 3 months of this winter to go.

Before we get into the main topic of discussion for this time I want to thank all of our growers for giving Gold-Eagle Cooperative record fall sales in dry fertilizer, and I hope the agronomy department's staff was able to meet everyone's service expectations.

I'm pleased that we were able to spread a record amount of tons in a weather shortened season, and I'm also very pleased with the amount of NH-3 tons that were applied considering the kind of weather and ground conditions that existed.

Our NH-3 sales for this fall weren't a record, but it certainly seemed that way because we applied so much in such a short period of time.

By the time you receive this newsletter most of you will have seen or will have been told of **Gold-Eagle's Competitive Chemical & Fertilizer Prices For Spring.**

Also, by now you have probably noticed the costs for fertilizer & chemicals have dropped significantly when compared to last year's costs.

We look forward to working with all of you on planning the best chemical and fertilizer programs for your crops in 2010, so be sure you set aside time to visit with your Gold-Eagle Agronomist soon to get the ball rolling on the important plans and decisions you need to make for your fields.

CROP HEALTH: Now to the main focus of this month's article, which is to discuss your fungicide needs.

There is a significant amount of data to verify that using a fungicide on your soybeans and/or corn can greatly

improve yields, and this year some of the fungicide manufacturers have decided to get much more aggressive on their pricing of fungicide products.

Let's review what is currently being offered:

1. HEADLINE: BASF is offering the following promotion, which they are calling "Headline Advantage".

* **Purchase Headline by February 15th** and you will receive a **\$100.00 per gallon rebate.**

* **Purchase Headline by May 15th** and you will receive a **\$75.00 per gallon rebate.**

* **Purchase Headline by July 16th** and you will receive a **\$50.00 per gallon rebate.**

These rebate dollars will be paid sometime during the month of October, 2010, and the rebate check will be made to the grower and sent to him directly.

2. QUADRIS/QUILT: Syngenta is also offering promotions for their fungicides. A grower can receive a **discount of up to \$100.00 per gallon on Quadris** and a **\$45.00 per gallon rebate for QUILT.**

For complete information concerning Syngenta's fungicide promotion, please visit with your local Gold-Eagle Cooperative Agronomist.

EQUIPMENT UPDATE 1: Gold-Eagle Cooperative has purchased a new 4930 John Deere post-emerge sprayer with state-of-the-art options such as Auto-Steer, Swath Control Pro, and Boom Trac Pro (auto boom leveling).

This new machine, which is featured on the front page of this month's newsletter, is also equipped with a 1,200 gallon product tank, 120' Boom, Chemical Injection, and large floatation tires for pre-plant/pre-emerge work.

This is yet another major investment by your Gold-Eagle Cooperative in our on-going commitment to enhance and improve our service to customers so that we can handle their needs on timely & professional basis.

EQUIPMENT UPDATE 2: I'm also pleased to announce that we have purchased a new Gustafson Seed Treatment system that is to be installed in Titonka's new seed warehouse, which will be in operation this spring.

Additional details on this latest addi-

tion to our seed treating services will be forthcoming in future newsletters.

IN CLOSING: Another year has disappeared and a new one will be here as you read these words, so to close out 2009 I want to express the thanks of the entire Agronomy Department to all of you for your continued support and business, and on a personal note I also want to wish all of our customers a prosperous, healthy, and safe 2010!

GRAIN FACTS

Continued From Page 1

All that could change quickly, since South America has responded by planting record acres, and thus far their growing conditions have reportedly been excellent.

Harvest in South America is not all that far off, and I am increasingly concerned about the growing potential for the Chinese to start canceling orders of our soybeans as their interests shift to a potentially large and attractively priced South American crop.

We also have to be aware of the impact a large 2009-10 soybean crop in South America might bring for soybean prices on the crop you'll plant this year.

As for corn, the most recent estimates I saw claimed there could be as much as 500 million bushels of this 2009 crop still not harvested.

The eventual fate of those bushels will create considerable anxiety for corn right up until USDA's final production figures are released on January 12th.

Some feel the market has been factoring in the potential of losing anywhere from 20% to as much as 50% of those bushels, while figures from Informa are suggesting there actually could be an increase in the previous production estimates.

We'll know who was correct January 12th, then the real debate will begin.

As always, volatile markets can present you with good pricing opportunities, and our offer system is always ready to help you capture them.

Please take some time to hammer out your figures, develop a sound marketing plan and then call us at Gold-Eagle with your offers, which will be working whenever the Chicago Board is trading, day or night.

Stu's Quote Of The Month

"A New Year's Resolution Is Something That Goes In One Year And Out The Other"

Unknown

Chris' Comments
By
Chris Petersen



It seems only fitting that I begin this newsletter article out by wishing everyone a **Happy New Year** and saying **Thank You To All** for your support during this past seed sales season, as well as for the orders you've already placed for the current 2010 seed season now underway.

This time of the year everyone is evaluating what worked the best for them last year and trying to figure out what they can do to improve or change things to make 2010 an even more profitable and better year.

Sometimes it's the **Little Things** that make the **Big Differences**, and one of those **Little Things** that I feel everyone has adapted to and can relate to in our area is in soybean production.

These days, customers are now telling us: **"If you sell me a soybean, it needs to be a cyst resistant soybean."**

The reason for customers insisting on cyst resistance in their soybean seed is because we have learned from experience that we all have a certain level of soybean cyst nematodes.

Rotating from a resistant soybean to a non-resistant soybean have proven the yield loss suffered can be significant, therefore, choosing a cyst resistant soybean has become one of those **Little Things** that we have all adapted to that has made a **Big Difference** by increasing yields in soybeans.

Another suggestion involves a new product that can be one of those **Little Things** that makes a **Big Difference**. This one comes along in corn, and it's a product that helps control corn nematodes.

What are corn nematodes?

Well, for one thing, it's important to know corn nematodes are not the same as soybean cyst nematodes, but they do about the same thing.

Many species of nematodes feed on corn throughout the Midwest, and most are commonly found anywhere that corn is grown.

In fact, nearly all of these corn nematode species are likely native to Iowa and they probably fed on native grasses long before corn was ever culti-

**Have Your Checked On The
QUALITY * CONDITION * TEMPERATURE * MOISTURE
Of The Grain You Have Stored
In Your Farm Bins During 2010?
If Not Then Please Check These Things Now Because
THE 2009 CROP WILL NOT KEEP WELL
And The Discounts For Damage Will Cost You Plenty**

vated in the state.

The common names of the most common corn nematodes are Dagger, Lance, Lesion, Needle, Spiral, Sting, and Stunt nematodes.

Why are corn nematodes becoming a problem?

Most corn nematodes can maintain their populations when soybeans are grown, but repeated cropping of corn may cause nematode populations to flare up.

Also, the use of transgenic, insect-resistant corn hybrids for corn root-worm control may reduce the amount of soil applied insecticides used.

Some have speculated that these insecticides may have provided some suppression of nematode populations, and the reduction in the use of soil insecticides may have lead to increases in corn nematode population densities.

So what can you do to find out if you have a corn nematode problem?

And, if you do have a problem, what can you do about it?

There are several symptoms of nematode damage in corn that can be easily confused with other issues, so the only good way to determine if you have a population of corn nematodes is through the collection and analysis of soil and root samples.

Soil and root samples should be collected during the middle of the growing season to determine if the detected nematode populations are at densities great enough to cause damage.

Determining what levels and the species of nematodes present at this point needs a lot more work to come up with an accurate threshold for treatment, plus, even if the samples showed you have a high corn nema-

tode population, there hasn't been anything in the past that was economical to treat them.

Syngenta has now come out with a new product that changes all that. The product is called Avicta, a brand nematicide which is the nematicide component of **NK's Avicta Complete Corn** seed corn treatment now available on some of NK's most popular corn hybrids.

Avicta Complete Corn seed treatment controls and helps protect against all major early season nematode species.

Avicta Complete Corn also contains an increased rate of Cruiser seed treatment insecticide, which offers better activity and longer residual for more effective and consistent early season insect protection.

Avicta Complete Corn combines Maxim XL, Apron XL and Dynasty seed treatment fungicides to help shield the plant from diseases and damping off of the seedlings.

This product was tried on a local basis in a 60 acre field. **The producer felt that he saw a 3 to 4 bushel per acre increase in yield with the Avicta Complete Corn** compared to the non-nematicide treated corn.

If you have already ordered your NK seed corn for this year and you are interested in trying that same hybrid, but having it treated with Avicta Complete Corn, please contact your Gold-Eagle Cooperative Agronomist or Seed Salesman.

We would be happy to help you set up some side by side comparisons to evaluate the benefits of seed treated with Avicta Complete Corn in your fields.

**Did Your Pesticide Certification Expire 12-31-09?
CHECK YOUR LICENSE TODAY TO SEE IF
YOU NEED TO RE-CERTIFY FOR 2010
Private Pesticide Testing & Continuing Instruction Sessions
Will Be Offered On A Limited Basis Again In 2010
Check Your Local County Extension Offices For The
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Brad's Views

By
Brad Davis
General Manager



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It seems strange we have had to wait until this January newsletter was being put together right after Christmas to be able to finally make this statement: **“Harvest Is Officially Over!”**

And yet it's also probably a fitting conclusion to a 2009 year that has been pretty much a strange one all along that it really did take until December for the work in your fields to at last be completed.

The 2009 crop turned out to be, as most of us anticipated from the start, a very large one and, unfortunately, it also turned out to be a crop that held on to higher moisture levels as the delays in getting harvest started mounted through October.

When all was said and done at the end of the day, or rather at the end of this harvest when it finally did come to an end, I am very pleased to say that your Gold-Eagle Cooperative had established new records for receipts on both corn and soybeans.

In the final analysis, your cooperative's business and your farming business are both driven by grain volumes, therefore record volumes coming across our scales are a reflection of record or near record volumes harvested by your combines, and **That's What It's All About.**

Still, a very large crop always presents additional challenges, and when a large crop is also a very wet one and when the task of harvesting it has been put on hold until late October and early November, those challenges seem to multiply for everyone.

All things considered, and here again I refer to the huge volumes, the short season and high moisture corn, I believe this harvest was handled very well by everyone, both on the farm and at the Gold-Eagle locations.

That's not to say there were not any snags or bumps in the road in the process, and certainly we would have liked to have been able to take care of your harvest needs even more smoothly and swiftly than we did, since the ultimate goal is always to finish the day with a smile on the face of everyone involved.

Amazingly, while not achieving complete and total satisfaction with

the pace and progress of the harvest all across the board, I do feel most everyone was pleased with how things were moving along, and then the other shoe hit the floor.

I'm referring, of course, to the virtual crisis situation that developed with obtaining LP to dry a very large, high moisture crop, and I am sure I do not need to recount the immense difficulties this presented, since farmers drying corn on the farm and your Gold-Eagle facilities were all in the same pickle on this.

Perhaps that is why the collective sighs of relief were so prominent and lasting as we entered the holiday season, since with the crop finally out of the fields, the grain dryers at last falling silent and a very large crop tucked away in the bins, the true blessings of this large crop could at last begin to be savored.

I can recall in years gone by how the end of harvest and a very big corn crop often meant many different things to each of us.

For your part, the physical efforts, the pressures and stresses of dealing with a large corn crop had, by and large, come to an end as the last bushels were tucked away in your bins or had crossed our scales.

For your Gold-Eagle locations, however, the most difficult part of our work with your large corn crop was normally just beginning, as bushels in bunkers, ground piles or other short-term storage solutions needed to be picked up, elevated and eventually shipped out, with virtually 100% of the corn you had delivered to us needing to be loaded and shipped out of the area by rail.

The task of loading hundreds of rail cars, often in some of the most miserable winter weather of the year has, thankfully, become a thing of the past

in recent years for your Gold-Eagle Cooperative.

These days we are not only utilizing 100% of the corn that comes from the fields of Gold-Eagle farmers through the **CORN, LP** ethanol plant and Gold-Eagle feed mills, we are also at times actually importing some bushels to satisfy our demands for corn.

To give you some perspective of the corn volumes I'm talking about, just last week the combined utilization of corn through the feed mills and for ethanol production amounted to 810,000 bushels of corn.

The implications of having such a consistently strong demand for the corn you grow and having it day after day, week to week and all through the year from market destinations that stand virtually right in sight of your fields can not and should not be underestimated, or under-valued.

As we were winding down 2009, it's been unusual to have both corn and soybeans trading at values in the upper levels of the 2009 price range, since historically this is the time of year when they are most often found at the bottom of it.

All things are relative, of course, but I feel you need to keep in mind the implications of a very large and perhaps even record crop on the markets, as well as the difficulties of having so much of it harvested at high moisture, plus the negative effects of extra handling and drying on grain quality and the severity of winter.

I know moving grain in the cold and snow is not among your most cherished chores, but I hope you take advantage of opportunities to move what you can, when you can, while the market is offering you solid reasons to do so, and that is especially true if you feel or even suspect you have bushels at risk to damage.