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July 2010

Just The Grain Facts

By
Duane Madoerin



Was the June 30th Planted Acreage Report a **Game Changer** for corn?

That's the first question many traders were asking following the announcement in which USDA pegged the 2010 planted corn acreage at 87.872 million acres.

Since the pre-report range of trade estimates was for corn acres to be 88.1 to 90.15 million acres, this number below the lowest pre-report estimate was somewhat of a surprise to the trade.

For a perspective consider ...

... **The 87.872 million** acres of corn is still 1.8% more than last year.

... **It's the second highest** acreage number since 1946 (excluding the record corn acres of 2007).

... **While it was** 972,000 acres below the March estimate of 88.8 million acres, we still have 1.372 million more corn acres this year than 2009 corn acreage of 86.5 million acres.

Iowa's corn acres were listed at 13.3 million, 200,000 acres lower than March intentions and 400,000 fewer than last year's 13.7 million.

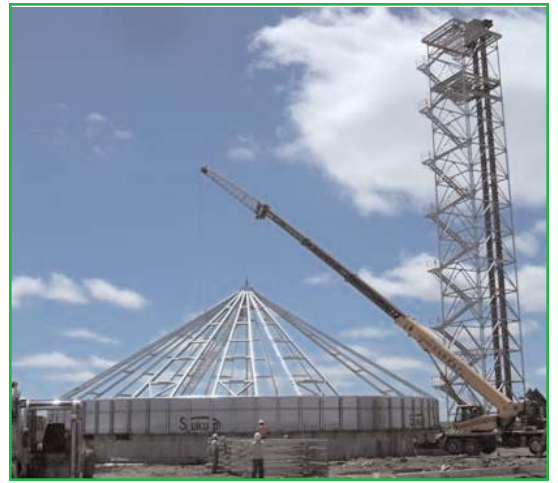
Illinois corn acres were at 12.6 million acres, unchanged from the March and 600,000 more acres than Illinois farmers planted in 2009.

These numbers broke the recent trend that began in 2004 with the USDA's June planted corn acreage figures on corn listed as higher than

Good Progress At Renwick

At first glance this picture has striking similarities to what Thor looked like a month ago. However, this is a picture of Renwick, which shows the progress we've made this past month on these bins.

By this time next month the skyline of Renwick will be very similar to that of Thor today, and once the bins are complete the focus will be on the overhead equipment, the receiving building, and the electrical installation.



those in their March 31st Planting Intentions Report.

Also of interest was that Iowa, Minnesota and Nebraska corn acres decreased by a combined total of 850,000 acres, and all three states increased their soybean plantings by 1.5 million acres over a year ago.

Speaking of soybeans, this year's soybean planted acres is estimated at a record high 78.868 million, up 1.368 million acres from last year's 77.5 million acres of soybeans planted.

In this case the trade's pre-report range of estimates was 76.5 to 78.9 million acres, and thus the USDA and the trade found common ground with bean acre numbers.

Area for harvest was listed at 77.986 million acres, up 2% from 2009, and this would be the largest harvested area on record, if that figure is in fact realized.

Compared with last year, soybean planted acreage increased by 200,000 acres or more in Iowa, Kansas, Minnesota, and Nebraska.

The largest increases were in Iowa

and Nebraska, which were both up 600,000 acres from 2009.

Iowa soybean acres increased by 300,000 acres from the March Planting Intentions to the current 10.2 million acres.

Illinois soybean acres dropped 200,000 bushels from the March Planting Intentions report, and 100,000 acres from last year.

In their Stocks On Hand numbers USDA's corn stocks came in at 4.310 billion bushels, below the average trade guess of 4.598 billion, which had a range of estimates between 4.459 and 4.784 billion bushels.

This is above last year's corn stocks of 4.261 billion bushels at this date.

The soybean stocks were pegged at 571 million bushels, compared to the average trade guess of 594 million. The range of trade guesstimates was from 580 to 620 million bushels.

Last year's June 1 stocks were 596 million bushels, so we are still at a historical tight stocks level.

GRAIN FACTS

Continued On Page 3



**Stu's
News**
By
Stu Pannkuk

It's June 28th as I'm writing this month's newsletter article, and with the weather experiences we've been going through lately, I am sure everyone would agree Mother Nature always seems to have a way of evening things out.

We couldn't have asked for much better conditions to get spring work done or to have the corn and soybean crops in the ground so quickly than the favorable weather and field conditions we worked in this past spring.

But now **Gold-Eagle Country is Wet**, there are some areas that are **Extremely Wet!**

This has certainly caused major challenges for all of us in getting our post-emergence spraying work handled.

In some areas, in fact, there are still a number of corn fields that never got sprayed, plus there are also many soybean acres which have not been sprayed.

Fortunately, we still have a considerable amount of time left to spray the soybeans, since Roundup gives us a big "window" to work with on the size of weeds.

These current soggy conditions are leading in to my main topics of discussion for this month: **Fungicides & Insecticides.**

I have thought of 5 conditions concerning this year's crop that would lead you to believe applying a fungicide would probably help your bottom line.

1. Frost early.
2. Very moist conditions to date.
3. Anthracnose sightings in corn.
4. Septoria brown spot in beans (favored by warm, wet weather).
5. Very high yield potential in corn and soybeans.

The Bottom Line: These past/present conditions are conducive for plant diseases!

Foliar diseases reduce yields by reducing the photosynthetic area and forcing plants to utilize energy to defend or heal themselves.

In essence, the plants are stealing energy that would normally have been available for maintenance and plant growth, the two key essentials that cre-

Stu's Quote Of The Month
***"Things May Come To Those Who Wait.
But Only The Things Left By Those Who Hustle"***
Abraham Lincoln

ate yield.

There is enough evidence that fungicide applications on both corn and soybeans will usually add to your bottom line.

For example, Headline from BASF has five years of data over thousands of on-farm trials that show this fungicide will, on the average, increase yields in corn by approximately 12 bushels per acre, and by approximately 5 bushels per acre in soybeans.

Gold-Eagle Cooperative offers many of the fungicide products that are available on the market today, and elsewhere I have included a chart listing those products for you to review.

For all practical purposes, all of these fungicides need to be applied at about the same crop stage.

For Corn you want to apply at the VT (full tassel) to R2 (blister) stage.

For Soybeans you want to apply at the R2 (full bloom) to R3 (beginning pod) stage.

Obviously, there are a few more bases you need to cover in making your fungicide choices, and you will therefore want to check with your Gold-Eagle Agronomist to discuss which fungicide you should purchase based on performance, cost, ease of handling, etc.

Another detail that needs to be addressed in determining which fungicide you decide to apply relates to adjuvants.

Some of these products don't require you to add an adjuvant and some do.

Also, sometimes if an adjuvant is required, it may be a different choice if the crop is to be sprayed by ground equipment or by aerial application.

Next we come to insecticides, and I think we would now consider it to be common knowledge we will, in all probability, have to deal with infestations of aphids on a yearly basis.

Therefore, please speak with your local Gold-Eagle Agronomist to discuss the rates, brand, and timing of applying an insecticide.

Here again, there are many insecticides to choose from, as you can see in the chart elsewhere in this month's newsletter.

However, our Agronomy Sales Staff prefers the effect of "cocktail" mix to give you the dual benefits of quick knockdown and residual control.

This "cocktail" effect is accomplished by applying an organophosphate/bifenthrin in combination with a pyrethroid.

You can purchase them separately and then tank mix the two, but generally we prefer a premix for convenience and added safety, and our choices here would be to use Cobalt or Hero.

One thing to keep in mind is that due to wet weather causing delays in the first application of Roundup this season, the second trip of Roundup probably won't happen until the latter part of July.

This is actually good timing, since we prefer to apply insecticide after July 20th to be sure there is enough residual to carry through the aphid season.

Obviously, that date is rapidly approaching, so we need to be firming up your product choices and custom application needs very soon.

As always, if you have questions or concerns about applying fungicides or insecticides, please contact one of the Gold-Eagle Agronomy Staff.

Insecticides Labeled For Soybean Aphids

Product Name	Rate Fl.Oz./A.	Re-Entry Interval	Pre-Harvest Interval	Chemistry Class
Asana XL	5.8 to 9.6	12 Hours	21 Days	Pyrethroid
Baythroid 2E	2.0 to 2.8	12 Hours	45 Days	Pyrethroid
Cobalt	13 to 26	24 Hours	30 Days	Organophosphate/Pyrethroid
Hero	4 to 10.3	12 Hours	21 Days	Bifenthrin/Pyrethroid
Lorsban 4E	16 to 32	24 Hours	28 Days	Organophosphate
Mustang Max	3.4 to 4.3	12 Hours	21 Days	Pyrethroid
Proaxis	1.9 to 3.2	24 Hours	30 Days	Pyrethroid

Chris' Comments
By
Chris Petersen



Last month I expressed how difficult it is to predict what Mother Nature will throw at us, but I never expected she would throw us 15 plus inches of rain in as little as an 8 day period.

I think the Goldfield area was the rainfall total winner in Gold-Eagle territory, and coupled with a string of hail that ran from north of Thor to north of Belmont added insult to injury.

Questions that always pop up after such events are:

How does all this water affect nitrogen for my corn?

How long can corn and soybeans survive under water?

Corn and soybeans can sure amaze us sometimes about how resilient they are. The real deficiency suffered by plants standing in wet or saturated soils is the lack of oxygen in the roots, not a lack of nitrogen in the plant.

Any nitrogen deficiency we might have can't be cured as long as oxygen deficiencies exist.

In addition, plant roots release carbon dioxide, which builds up in saturated soils, which can poison the roots.

Because of this, applying nitrogen produces little benefit to plants severely stunted from standing in water.

Therefore the **Simple Answer** to the question is that you won't know what is going to survive until it finally dries out, and most times at that point the damage is already done, therefore to apply more nitrogen to the corn that does survive would be a losing proposition.

As far as the balance of the fields that were saturated but didn't have standing water, the same premise holds true: The plants need oxygen, and once that occurs they will once again take off, however you won't be able to correct whatever damage has already occurred.

As far as the availability of nitrogen left in the soil to finish out the crop, this is a subject that gets argued about all the time.

Most universities have come up with a sound and what seems like very scientific formula to determine nitrogen losses in wet soils, and I recently came upon an example of one of these for-

mulas I thought you'd find interesting.

If 85% of a 120 pound N application is converted to nitrate and the soils were then saturated for 10 days when warm, the N loss estimate would be calculated as follows:

120 pounds N per acre x 85% nitrate / 100 x 4% per day / 100 x 10 days = 40 pounds N per acre.

Add in the increased tile flow rate on tile drained fields, and the loss estimate could be 60 pounds of N per acre.

Variation of lower or higher losses could easily occur depending on warmer or cooler conditions, different forms of applied N, more or less time from N application to wet conditions and more or less time and frequency soils are saturated.

The same variations will also occur for different landscape positions and soils. A very course textured sandy soil with a significant rainfall event like 4 to 6 inches in addition to already moist soils could easily result in all the nitrate leaching out of the root zone.

This method seems to have a lot of variables at work and it doesn't really just come right out and give a guy a simple yes or no answer about what percentage of N is lost.

My personal opinion is that if you have applied enough nitrogen to the crop already and the crop is to the point that the only way to apply additional N is to dribble it on with high clearance machinery, then applying additional nitrogen won't pay.

The second piece to this equation is the experience that you all have had in the past with applying nitrogen at this stage. While some of you have had success, I feel more of you have been disappointed.

Every farm is different, every year is different and I am sure most everyone has had positive or negative results with applying nitrogen at this late stage.

If there is one thing that I am thankful for it's that the latest weather events have not been consistent throughout Gold-Eagle's entire trade territory.

When such events occur it's always very unfortunate for the ones that have to suffer through them, however the experiences we gain going through such events can also help us (as well as others throughout the trade area) be more aware of what we can and can not do if we ultimately face the prospects of tough events like this in the future.

GRAIN FACTS

Continued From Page 1

This report was welcomed by the bulls after the recent sell-off. In a nut shell, the trade had been expecting more corn and soybean acres, however the increase in corn acres turned out to be less than expected, while the soybean acres were even larger than many expected.

The shocking number for corn was the June 1st stocks at 4.310 billion bushels, which was 288 million bushels below the average trade guess.

This would imply a 37% increase in third quarter feed usage, a number that is highly unlikely with the reduced livestock numbers, which then creates the question: Is this reduction in corn stocks a statistical adjustment for over-estimating the size of last year's crop?

The lower corn acres than expected is supportive, and this implies a lower production number by 130 to 150 million bushels. Combine this with the lower old crop stocks and our total corn supplies would be 300 to 350 million bushels less than anticipated.

This report may have put the near term low in for corn, although there is a lot of growing season ahead of us and final yields are still in question.

Lower soybean stocks were not the shocker corn was, and the impact was countered by the 800,000 acre increase from the March intentions.

This will clearly keep new crop ending stocks expectations in the 350 to 400 million bushel range, even with a modest decline in old crop ending stocks. Longer term, this will keep the fundamental price structure for soybeans negative.

Gold-Eagle Handles A Full Range Of Fungicide Products

Product Name	Average Rate/A.	Labeled For Corn	Labeled For Beans	Active Ingredient
Evito	2 oz.	Yes	Yes	Fluoxastrobin
Domark	4 oz.	No	Yes	Tetraconazole
Headline	6 oz.	Yes	Yes	Pyraclostrobin
Quadris	6 oz.	Yes	Yes	Azoxystrobin
QuiltXcel	10.5 oz*	Yes	Yes	Azoxystrobin & Propiconazole (Tilt)
Stratego	10 oz.	Yes	Yes	Trifloxystrobin & Propiconazole (Tilt)

* 10.5 oz of QuiltXcel = 6 ounces of Quadris and 3 ounces of Tilt (Curative)

Brad's Views

By
Brad Davis
General Manager



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As we are putting together this issue we're approaching the 4th of July holiday weekend, and certainly all of us hope this will signal an end to the torrential showers that Mother Nature has sent to deluge many fields in Gold-Eagle Country - and beyond.

In what can best be described as rainstorms of biblical proportions that had some areas in Gold-Eagle's Southern Region experience rainfall amounts of up to 20 inches over an 8 day period, the fortunes of many corn and soybean fields were washed away.

Adding further insult to injury was that in some areas even the portion of crops that were on sufficiently higher ground to escape being covered by water were instead bombarded by large hailstones, rendering entire fields virtually barren of a crop that had been showing such promise.

As with most **"weather events"** as they are now commonly referred to, there are huge frustrations and countless challenges that accompany the damage and destruction whenever an area is unfortunate enough to be struck by them.

And yet while one can travel for mile after mile in those areas which are affected and see few if any promising sights, ultimately one tops a hill, rounds a bend or otherwise gradually moves through the afflicted area and into one that has been spared the extremes of weather and the damage accompanying them.

So it is across the breadth and width of Gold-Eagle's trade area, since as sad and bad as so many fields of corn and soybeans look in those areas that have experienced weather extremes, the appearance of the crop in those areas fortunate enough to escape the ravages of weather look as good as ever at the end of June.

In a broader sense, we can look back at these first six months of 2010 as being an extended period of weather extremes, starting out with some of the most bitterly cold temperatures and snow drifts and piles of mountainous proportions throughout the first three months.

That first quarter was followed by an unseasonably mild April that allowed so much work to be done and so much of the crop to be planted

early, only to have the May that came next be equally unseasonable with cool weather and sunless skies for so many consecutive days.

June has continued the trend of weird and extreme weather for so many of us, and thus we must do what generations of farmers and farming businesses like Gold-Eagle have always done when faced with the extremes of good crops and poor, good years and bad, high prices and low, wet conditions and dry, namely to make the most of whatever cards have been dealt to us by Mother Nature, the markets, the economy or fate as we brace ourselves and set our sights on what lies ahead, be it better weather, a bigger crop, a better year or a brighter future to come next year.

PROJECT UPDATE: As you can see in the two photos we have included showing the progress being made on the Renwick and Thor construction projects, our contractors have shown a remarkable talent and ability to be able to maintain forward momentum on their work despite the immense challenges of frequent showers and a virtually quagmire of mud that challenges

every step they try to take.

Our hats are off to them and the outstanding crews that are working very hard in some extremely difficult conditions to keep the pace on track for a timely completion.

STILL TIME: For some reason it always seems that summer very quickly disappears once the 4th of July arrives, and as history has shown, so too do most of the better selling opportunities you have been presented in the corn and soybean markets.

Despite the localized impact of weather on crops here in north central Iowa, much of the 2010 corn and soybean crop remains at or near record high ratings, thus unless there is some major turn of events on the horizon, we can typically expect crop values to steadily slide lower on into harvest.

It would be my most sincere advice that if indeed any nervousness in the markets about this crop develops, or if any events on the international scene do materialize to stimulate market strength, they be viewed as sound/solid opportunities and treated accordingly by putting some sales on the books.

Work Progressing Nicely At Thor

This picture is evidence that not even the torrential rains everyone received throughout the month of June were enough to slow construction at Thor.

Last month construction was just starting on the bins, and now they are complete.

The next phase will include the installation of the dryer, completing the installation of the overhead equipment, and installation of the LP tank with vaporizer.

Hopefully the weather cooperates and everything will continue to go as planned.

