



Gold-Eagle Communications

Gold-Eagle Cooperative Mission Statement

Providing Quality Services And Products Innovatively, Profitably And Professionally

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May 2010

Just The Grain Facts

By
Duane Madoerin



As of April 26th when I am writing this article it appears the U.S. corn crop is going into the ground at a record pace.

One of the interesting implications of this early planting is that historically speaking, when we have favorable corn planting progress this early, it often leads to more corn acres being planted.

The most recent acreage projections had U.S. farmers planting almost 167 million combined acres of corn and soybeans in 2010, a record combined acreage for the two crops.

Getting so much of the crop in early is also one of the key factors that usually, though not always, sets the stage for large crops.

Although we've been accustomed to hearing talk about projected overly abundant supplies of corn and beans up to now, the latest news has been focused on the April 9th crop report, which drew some attention when the USDA projected lower ending stocks than most analysts expected.

On the speculative side, the large managed funds have accrued sizable short positions in corn and wheat, and have whittled down their soybean longs, while the index funds have remained long in their positions.

While the markets don't rally just because actively managed funds are short the market, they do become ner-



The grain expansion projects at Thor and Renwick are progressing at a rapid pace and have come a long way since the Training Fires only a few months ago.

Almost immediately after the Training Fires contractors began the demolition phase of the projects. Demolition went according to schedule and was followed closely by dirt work and concrete.

This phase will be continuing forward with the order of concrete being: 1.) receiving pit 2.) tower foundations 3.) bin ring footings 4.) bin walls 5.) bin floors.

The structure of the project schedule allows for equipment to be installed as the related concrete pour is finished (cured) and it is because of this that the equipment for the receiving system has already been installed at Thor.

Within the next month, the transition will move from concrete to bin and equipment installation. All of these phases of construction are in accordance with a strict timeline, which is designed to have the new facilities fully operational for harvest.

vous because that sector can react so quickly to market changes, whether technical or fundamental.

The market is also alert to news of China's dispute with Argentina, with the Chinese upset over Argentine soy oil quality, while the Argentine's have complained about the Chinese dumping low priced clothing into Argentina.

Then rumors circulated China would be importing corn and the "shorts" in the market began to get nervous.

This China/Argentina soy oil issue is an interesting story. China says a solvent residue on Argentine soy oil is around 300 ppm, while China's new standard is 1 ppm, therefore China

buyers are holding off new import applications.

But China recently announced they are taking steps to improve their permit application process, which is viewed as a step to resolve the issue.

The Bottom Line: China needs 200,000 tons of soy oil imports per month, and Argentina is the world's largest exporter. These countries need each other, so they will resolve this dispute quickly.

The talk about China importing U.S. corn looks to have some truth to it. The Chinese are actively buying

GRAIN FACTS

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**Stu's
News**
By
Stu Pannkuk

It's April 23rd when I'm writing this article, and I know many of you have heard this statement before: **"What a difference a month can make!"**

As of today I'd estimate 90%+ of the corn has been planted in Gold-Eagle Country, plus we also have a few growers starting to plant soybeans.

All this early planting creates hope that we could have an early fall harvest, and of course that would relieve a lot of the pressure to get the crop harvested, and thus give us more time to get fall tillage and fertilizer applications done in a smooth timely basis.

We know how quickly everything can change, but early planting progress is the first hurdle to cross, the one that sets the table so the others at least have a chance to follow.

I have heard many comments concerning the price of our glyphosate (Roundup) lineup of products, and it should be noted that the price of these products is less than half of last year.

This has been good news for our producers, and even better news is that it appears pricing may stay this way for at least the near future.

I recently came across an interesting article, which I suspect some of you may also have read, about what has happened with the glyphosate market during the last couple of years.

If you missed it, here are some of the items I found of interest:

For one thing, the article stated that China increased prices of glyphosate by more than 400% in response to skyrocketing demand in 2007, and by 2009 they had developed glyphosate production capacity that is 150% of total global demand for the product.

Due to the massive over-production, global glyphosate prices started to collapse beginning in late 2008.

This continued throughout 2009, resulting in the greatly reduced price for 2010.

Chinese producers have continued to flood the U.S. market with glyphosate simply to dump inventory, which in turn drives prices below their own production cost.

Beyond that, here are some other reasons why glyphosate products may

ROUNDUP (GLYPHOSATE) PRODUCTS AVAILABLE AT GOLD-EAGLE

Corwith: Roundup Weathermax

Goldfield: Durango, Roundup Weathermax

Hardy: Durango

Livermore: Roundup Weathermax

Renwick: Buccaneer Plus, Roundup Weathermax

Titonka: Roundup Weathermax, Touchdown Total

Wesley: Buccaneer Plus, Durango, Roundup Weathermax, Touchdown Total

stay at current price levels.

1. While the Chinese have huge production capabilities, as stated above, there is also a considerable amount of production capacity in addition to that of China.

2. Roundup rates began to increase as a number of weeds started to develop tolerance.

But now, with some weeds resistant, we are currently adding products like Cadet, Callisto, Laudis and Resource, just to name a few, and thus we are actually reducing the rates of Roundup, thus reducing the demand.

3. Most of the crops we grow in the U.S. (soybean, corn, canola, cotton, sugarbeet, and alfalfa) have glyphosate resistant varieties available for planting.

Wheat is really the only major crop we grow that could be added, but that will probably be on the shelf for many years to come.

In other words, Roundup has hit a mature market.

4. Glyphosate resistant crops represented more the 80% of the 300 million acres of transgenic crops (also

called GMOs and biotech crops) grown annually worldwide in 2008.

Again, the market has matured, with little potential for new growth.

With all this being said, please keep in mind that companies will not continue to produce glyphosate at a loss, and it's obvious they can adjust their production levels to meet current demand.

Therefore, maintaining these current low prices is only a prediction, and, like everything else in agricultural, things can change quickly.

Feel free to contact any of the **Gold-Eagle Agronomy Staff** to discuss what rates of Roundup are to be used based on weed size, rates of other chemicals that are added to Roundup, Cornbelt water conditioning agents and drift management products.

Finally, I've included a couple of charts listing which glyphosate products are available at the different Gold-Eagle locations, plus a **Rain Fast Chart** to use as reference.

As in the past, if you happened to spray a pesticide that is not listed on this chart, please call and we can get that information for you.

2010 RAIN FAST CHART

| PRODUCT | RAINFAST (Hours) | PRODUCT | RAINFAST (Hours) |
|-----------------------|------------------|---------------------------|------------------|
| Aim | 1 | Ignite 280 SC | 4 |
| Assure II | 1 | Laudis | 1 |
| Atrazine | 1-4 | Lorsban 4 E | When Dry |
| Buccaneer Plus | 1-2 | Lumax | 4 |
| Cadet | 4 | Option | 2 |
| Callisto 4SC | 1 | Proaxis | 1 Hour After Dry |
| Cobalt | When Dry | Prefix | 1 |
| Domark | 2 | Quadris/Quilt | 1 |
| Duramax | 1 | Raptor | 1 |
| Durango DMA | 1 | Reflex | 1 |
| Enlite | 1 | Resource | 1 |
| Firstrate | 2 | Roundup Powermax | 1/2 Hour |
| Flexstar | 1 | Roundup Weathermax | 1/2 Hour |
| Fusilade DX | 1 | Select Max | 1 |
| Fusion | 1 | Status | 4 |
| Gangster | 2 | Stratego | 2 Hours |
| Halex GT | 1-4 | Touchdown Total | 1 |
| Headline | When Dry | Valor SX | 1 |
| Hero | 1 | 2, 4-D Amine | 6-8 |
| Hornet WDG | 2 | 2, 4-D Ester | 1-3 |

Gold-Eagle Cooperative

KILLER DEAL DAYS

Purina Wind & Rain 7.5

Complete Aureo/Altosid

Rangeland Mineral Tub w/Altosid

Sale Dates: April 19th thru July 30th

225# Tubs Regular Price \$110.30

Tub Discounts Based On Quantity Taken

1-2 Tubs - \$109.80 Each

3-5 Tubs - \$108.30 Each

6-8 Tubs - \$106.80 Each

9+ Tubs - \$104.30 Each

All Tubs Need To Be Taken During Sale Promotion

Remember: Two Cows Will Consume One Tub During Fly Season (210 Days).

Purina Wind & Rain 7.5 Complete Aureo/Altosid

Purchase 9 Bags (450 lbs) Receive 1 (50 lb) Bag FREE

Regular Price \$28.67 Per 50 Lb Bag

With One FREE Bag, Price Drops To \$25.80 Per 50 Lb Bag

REMEMBER

CONSUMPTION IS 1/4 LB/HD/DAY

SO IN 210 DAYS OF FLY CONTROL SHE WILL CONSUME OVER 50 LBS OF MINERAL.

This is an opportunity to take advantage of some special pricing from Land O Lakes Purina Feeds.

Remember we are here for you, to provide you with quality products, timely service and outstanding opportunities to improve your cattle operation.

Take Advantage Of These BIG Savings When They Come Along!!

FOR MORE INFORMATION

Contact Joel Carlson at the Eagle Grove Mill

Office: 515-448-5392 * Cell: 515-293-1684

Or Contact One Of Our Locations



Chris' Comments

By
Chris Petersen



This has been a great start to give us an optimistic beginning to what we hope turns into a good growing season for everyone.

There is plenty of subsoil moisture, the planting conditions and timing couldn't be any better, and all in all things have progressed pretty smooth.

I would like to thank all our producers who purchased winter production seed for their patience and understanding on any delays that you might have experienced.

We had 10% of our total seed corn sales this spring that were winter produced hybrids grown in Chile, and although in some cases these hybrids arrived just in time, in other cases they were substituted or replaced by another hybrid.

In years like this year, with such an early planting pace, winter production seed can be a challenge to manage.

All the salesmen know the chances we take with winter production, but we also know it can indeed be worth it considering the hybrids that are winter produced will be the latest and newest hybrids companies have to offer.

As of this writing April 26th there are a few early planted cornfields that you can start to row from the road.

Corn usually needs to absorb about 30% of its dry weight in water to start the process of germination, and under favorable growing conditions, emergence normally takes place 8 to 12 days after planting and requires about 100 to 125 growing degree units.

A soil temperature range of 60 to 65 degrees is considered ideal for germination and emergence within that 8 to 12 day window.

I have had a few people ask me about calculating growing degree units. The process is real easy, providing you have a good way of knowing the high and low temperatures of the day.

The formula has limits imposed on the daily maximum and minimum temperatures allowed in the calculation.

Daily maximum temperatures higher than 86 degrees are set equal to 86 when calculating the daily average temperature. Daily minimum temperatures lower than 50 are set equal to 50

in the calculation.

Here's an example. If the maximum temperature was 80 degrees and the minimum temperature was 55 degrees, you add 80 and 55, then divide by 2 to give you the daily temperature average.

Then you subtract 50, which is the base temperature for corn development, and that gives you 17.5 growing degree days.

Just remember you never use a number higher than 86 for the high, and you never use a number smaller than 50 for the low.

Knowing the degree days helps in everything from anticipating insect outbreaks and life cycles to physical maturity of the corn.

Usually, under normal growing conditions, you can expect about 60 GDU (growing degree units) between each growth stage.

So if it takes 120 units to get to emergence, then it will take around 180 GDU to get to V1 or the first vegetative growth stage.

Another 60 units would put the corn at V2 stage and so on.

This is a rule of thumb, but generally speaking it's one that is really close.

One news item that you might have missed that came out here in the second to last week of April was that Syngenta Seeds has announced it has received deregulation from the U.S. Department of Agriculture for the Agrisure Viptera trait.

The Viptera trait will give you, in my opinion, the same level of insect control that you would expect from Monsanto Smartstax, so this will give producers an option when it comes to having the highest level of insect protection on the market today.

I expect we all will hear a lot more about Viptera in the months to come.

GRAIN FACTS

Continued From Page 1

U.S. DDGs in volumes that would be equivalent to 25.59 million bushels of corn, and that's only what they've bought so far.

While the worldwide supply of grain is still ample, these global surpluses are

not guaranteed to last given the steadily increasing world population, and the rising demand for better diets.

Global consumption of grains, wheat and soybeans is rising by 35 to 50 million tons every year, and while yields are rising between 1.6% and 2.2% annually, this rate of increase can only add about 30 million tons to world grain production each year, and that's assuming we encounter no major crop problems.

The role that China plays in all of the world's markets, financial as well as fuel/energy and our commodity markets, continues to increase steadily, and the reason China is becoming such a crucial part of so many discussions is due to the vast size and population of that country, or in a single word: **Demand**

Just how big is Chinese demand? Here are some figures I think puts China's importance into perspective:

* **In March** China's oil consumption grew 12.8% over last year.

China's oil demand last month grew 8 times the rate of global oil supply growth, and for the first quarter of 2010 their oil demand has grown at 10 times the rate of the world's supply growth projections for this year.

* **China has** the same soaring demand for soybeans, with this year's demand double last year's demand.

* **A Chinese** state company, Chongqing Grain Group, will invest \$300 million to buy 247,000 acres (that's \$1,214.57 per acre) of Brazilian land to grow soybeans in the northeastern state of Bahia.

* **By 2030** it's estimated China will add more city dwellers than the entire U.S. population (307 million). Also by 2030 China will have added 350 million people, more than the entire population of the U.S. today.

* **If the Chinese** use as much oil per person in one day as Americans currently use, then the world will need seven more Saudi Arabias to meet their demand.

The U.S. currently uses 2.688 gallons of oil per person. China uses slightly over a quart of oil per person (0.0252 gallons).

MAY IS BEEF MONTH
Please Join Us As We Say
THANK YOU NEIGHBOR
To Our Area's
Beef Producer Families
IOWA BEEF
THERE'S NONE BETTER



Brad's Views

By
Brad Davis
General Manager



Gold Eagle
515 North Locust - P.O. Box 280
Goldfield, Iowa 50542

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PAID
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Permit 2929

RETURN SERVICE REQUESTED

In looking back at my newsletter comments last May, I was surprised to see I was talking about how well everything was going for us through April, the fantastic weather and field conditions, and how our **Gold-Eagle Farmers** were able to have the majority of their corn crop in so quickly.

And when I read further to find my thoughts about the spring of 2009 being one of the smoothest springs I can recall, and wondering aloud if perhaps we might have actually pushed the early planting envelope a bit too far by having so much work done so soon, I'm even more amazed.

The reason for my feelings of awe and amazement are not as much for how eerily the situation at the end of April a year ago compares to the situation we find ourselves in once again as April concludes, but are in fact because in comparison the speed, pace, progress and smooth flow of work of last year doesn't begin to hold a candle to what we have been experiencing this year.

It is, for the record, April 27th as I am writing this, and not only can we feel totally amazed at the pace and progress at which the 2010 corn crop has been planted here in **Gold-Eagle Country**, we can be even more shocked by the recently announced USDA estimate that has a record 50% of the national corn crop already in.

I am sure the collective sigh of relief heard throughout our area from **Gold-Eagle Farmers** and the **Gold-Eagle Agronomy Staff** alike was magnified many times over by the knowledge we had so much carryover work from the fall topping the spring work schedule, followed by the normal heavy volume of spring work that had to be done.

Moreover, just 30 days ago we had temperatures barely able to break past the 40 degree mark for highs, snow covered a significant portion of the landscape, and the drifts in some places were still massive.

We know from experience, of course, that just because we've had the good fortune to get an early start and have a lot of work under our belts as May 1st arrives, it doesn't automatically translate into a season of worry free leisure in a land of milk and honey.

But we also know that getting this much of the crop in this early, and having this much of a head start, gives us a lot more flexibility for what is to follow, and that history shows having the crop in early will usually, though not always, result in a very respectable crop in the fall.

There is a lot of work yet to be done, and a number of pot holes along the way that we may yet encounter, so to help sustain the fine head start this crop has had and to maintain the positive momentum we've built over these past several weeks, I encourage all of you to continue to work very closely with your **Gold-Eagle Agronomists** to help set the pace for the weeks ahead.

WATCH YOUR GRAIN: Spring is the time of new growth, and once the kernels of corn nestled in the warm, moist environment receive some additional heat, they germinate, sprout and start to grow rapidly.

I could easily be talking about the corn you've recently planted in your fields and the warm, moist soils they will be germinating, sprouting and growing in.

Sadly, however, I'm referring to the corn you harvested last fall that is stored in your farm bins, where it is also dark, probably moist and certainly warming up quickly.

We have continued to caution all of you with grain stored at home about the potential for some very nasty, very expensive and very unpleasant consequences because the 2009 corn crop is not keeping well in storage.

We do so once again and with an even greater sense of urgency and alarm as the germination season for grain has arrived, and whether it's in the warm, moist and dark environment of your soils or a similar warm, dark and moist environment in your

bins, those kernels of corn naturally germinate, sprout and start to grow.

Do not put off checking your grain for quality and damage problems as we move forward into May.

Weekly Inspection is crucial to prevent potentially massive losses.

GREAT COOPERATION: We want to express our thanks and appreciation to the communities of Renwick and Thor for the excellent communications and cooperation as Gold-Eagle's construction projects progress.

Projects of this size, scope and magnitude typically create periodic inconveniences and disrupt the normal routines of the day, and we appreciate how the people of these communities have taken extra measures to accommodate these projects.

A GOOD START: I'm pleased to announce **CORN, LP** has just recently completed a very successful annual spring shutdown during which all systems were thoroughly inspected, service and maintenance are performed.

In previous shutdowns we've typically encountered substantial challenges with the refractory in the furnace boiler, and having this require only minor tweaking in this spring's shutdown gives us reason to believe those reoccurring issues have now been successfully resolved.

We will be issuing a review of **CORN, LP's** first quarter financial performance highlights later on in May as **The CORN Connection** newsletter is published, so until those figures are released I must reserve the urge to comment in detail about them.

I can say, however, we are very pleased to have completed the first quarter of 2010 in the black, and considering the first quarter of 2009 had us showing some three million dollars of red ink, I am sure you can appreciate our cautious optimism.