



## July 2009 Newsletter

Carrollton Farmers Elevator, Shipman Elevator Company, and Top Ag Cooperative entered into a unification study on March 23, 2009. The study has uncovered exciting opportunities along with challenging issues. The Board of Directors of Top Ag Cooperative has withdrawn their company from the unification study at this time.

The Board of Directors of Carrollton Farmers Elevator and Shipman Elevator Company are considering available options. Continuing updates will be posted on our company websites.

Agriculture is challenging every year, and 2009 has been one of the most challenging on record. As of the day I am writing this section of the newsletter there are several fields in our area that are tasseling, and many others that are not yet emerged out of the ground. There is certainly going to be an extended harvest, and we will need ideal conditions for the later planted corn to yield well.

The earlier planted corn is growing extremely fast, and may be very susceptible to green-snap. Insurance coverage for green-snap is available as an add-on to many crop-hail insurance policies, and is reasonably priced.

Many producers were required to replant significant amounts of corn this spring, however in many areas, our overall corn stands are much better than in 2008. Extended planting delays have resulted in fields not being planted in several parts of our trade area.

The delayed corn planting will likely result in a later corn harvest this year, and will likely result in some higher corn moistures this fall. SEC's Board of Directors committed \$200,000 for a new 2400 bushel per hour dryer that was installed in

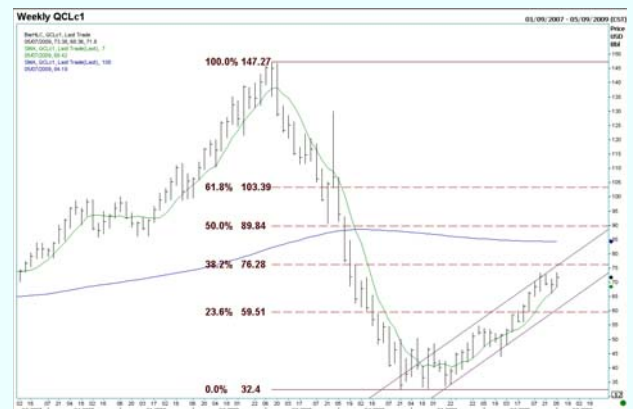
2006, and that dryer is ready to meet your needs this fall.

There could be several critical times for the later planted corn, and most of you are fortunate to have a good stand along with good early season weed control which gets you thru the first critical time. Other critical times coming up will be at pollination, and when we are susceptible to early frost before the plant has reached maturity.

Cathy Meininger is the billing clerk at SEC, and Cathy and her husband Eric, are the parents of new daughter. Cathy gave birth to Claire Nicole on June 25<sup>th</sup>. Cathy will be off for a short time, however she expects to resume billing your spraying, dry fertilizer, and NH<sub>3</sub> soon.

SEC has made a significant commitment for fall fertilizer, and is offering a July fall fertilizer prepay program for our customers. DAP and potash are moving up in price, and taking advantage of the earliest prepay price will give you the best value for the crop year. Consider using the CFA Input Finance Program to pay for your fall fertilizer. CFA is the lender of choice for more than eighty of our top agronomy customers.

**Ron Sheppard's Notes:** The energy markets have remained strong compared to the first quarter of the year, and are near their most recent highs. With all the recent strength, we are still less than half of the highs of last year at this time for crude and the products. The crude oil chart below shows the highs of last year, the lows of this winter, and the current level. This chart is almost identical to the Gasoline and Diesel fuel charts.



Be sure to come to our Answer Plot in September, and sign up for a chance to **win**

**1000 gallons of free fuel!**(sponsored by Croplan)

**Regan Wear's Notes:** Fungicide applications will certainly be much later than last year for corn. These applications are targeted for corn as you start seeing tassel emergence. These applications can be very effective if the hybrid and environment warrant it. The first thing you will need to look at is how your corn hybrids handle leaf diseases and if you have them planted in fields that either have a history or would be likely to see a response from application.



We are spraying quite a bit of Quilt at 14 oz per acre. This application has two products that will both stop the diseases and protect the plants from further disease outbreaks. This program cost \$29.00/A applied. Call SEC to line up aerial application of fungicides on your farm.

I started seeing the first Japanese Beetles this year on June 24<sup>th</sup> in corn. I hope these insects won't be as bad this year, but they will certainly be around and may just be late like everything else this year.



Corn treatments for Japanese beetles should focus on pollination aide. Most of the treatments will be effective for a week or less, and should be applied very close to pollination time, and applied to fields that have high populations of beetles feeding on silks.



We are very close on the first of the fall pre-pay contracts. These prices have come back in line on the anhydrous and DAP. Potash prices will remain relatively high compared to DAP and NH3. We will have the first pay date coming up at the end of this month. Derek will have the new CFA 2010 operating notes ready by then with some very attractive terms for this and other programs.

**Dennis Wieseman's Notes:** The USDA acreage report on June 30<sup>th</sup> placed corn acres at 87.035 million acres with soybeans at 77.483 million acres. Corn acres unexpectedly increased over 2 million acres from the March 31<sup>st</sup> USDA report. Soybean acres increased about 1.5 million acres from the March report. Trade was looking for corn acres to decline about 800,000 acres and bean acres to increase about 2 million.

Needless to say, the grain prices got hammered on Tuesday. Poor economic data on consumer confidence only added to the selling pressure. Good short term weather forecasts should allow crops to show improved condition ratings again next week.

Old crop corn stocks were higher than expected as well, at 4.266 billion bushel. Just another example of the slow rate of usage from the livestock and ethanol sectors.

With the report out of the way, the trade will focus the most on the weather over the next 6-8 weeks. Final crop size is still the big issue for corn and soybeans. Any threat during pollination will quickly add weather premiums back to prices. Relatively good weather will keep prices on the defensive until we get to harvest and learn more about the yield potential of this crop.

In the event of a short crop it will be easier this year to ration usage without moving prices to levels

anywhere near last year. Corn prices over \$5.00 a bushel will cripple the remaining livestock industry and close down more ethanol plants. Also, the global economy is still very weak and countries are still struggling to buy grain at higher levels.



Steven Williamson is July's spotlight employee for SEC. Steven graduated from the custom applicator program at Lincoln Land Community College, and has joined the operations team at SEC on a full time basis. Steven had interned at SEC during the past two summers as part of the Lincoln Land program. Steven has spent much of his time working at the grain elevator in Shipman, and has also spread some fertilizer this spring. Steven is originally from Brighton, and is a graduate from Southwestern High School. Steven has also purchased his first home in the Bunker Hill area.

Everyone at SEC thanks all of our customers that we have had a chance to do business with this spring. Each season brings new challenges, and this year's have been easier than many in the past. We do not always remember to tell our customers just how much we appreciate your business. We look forward to continuing to earn your business this summer and fall, and in the upcoming years.

#### **Derek Kahl's Notes:**

**CFA** The Cooperative  
Finance Association, Inc.

*Financial Services For Successful Agriculture*

***The CFA Input Finance program kicked off the 2010 Crop Year with applications being accepted on July 15, 2009.***

Now is the best time to prepare for the 2010 crop, while your 2009 income is in the field. SEC has forward-purchased many of the inputs needed for 2010 crop production. We are happy to pass the savings on to our farmer-owners by taking advantage of early booking programs. **SEC will be offering discounted interest rates on 2010 CFA Input Financing Loans applied for by August 15, 2009 for DAP and Potash Pre Paid before August 31, 2009.** These discounted rates will be interest free until October 31, 2008. This will allow producers to lock in fall fertilizer prices and have piece of mind when marketing 2010 grain.

With that being said, producers should be able to secure input costs by prepaying to insure profitability. I have met with many patrons who are committed to the earliest savings opportunity that we provide. If you are interested let me know in July and I would be happy to get the new loan process initiated.

SEC is also in the process of looking for additional producer lending sources to help cover the increased input costs. As additional producer lending sources become available to you, our producers, I will be more than happy to make an on farm visit to help maximize your borrowing potential with SEC and our providers while at the same time allowing you to keep more income from your operation.



#### **Tim Gueldener's Notes:**

I am happy to announce that as I am writing this soybean planting is finally coming to an end. This has been yet again another long and challenging spring and I would like to thank all of you for your hard work getting this year's crops in.

Wheat harvest is also underway and yield reports have been varied all across our area. Low test weights have been the biggest complaint that I have heard about the wheat crop. Low test weight in wheat can be caused when a physiologically mature seed is wetted and then begins the process of rapidly taking in oxygen and water to try and sprout. A swollen (moist) seed can not shrink back down to original density. The starch particles in the seed are like a sponge and trap the air which does not allow the seed to collapse back down again (to be compact.)

We still have some seed beans and grain sorghum available for double cropping after wheat. Double crop beans should be planted as early as possible

for the highest yield potential. Late group three to mid group four varieties should be planted so the plants stay in the vegetative stage longer. Also, seeding rates should be in the 225,000 seeds per acre range for narrow rows.

With this spring's planting coming to an end now is the time for John, Matt, or myself to come pick up your unused seed. If we have not returned your seed yet please give us a call so that we can get this done as soon as possible. Also, beginning after the 4<sup>th</sup> of July weekend we will be asking for your assistance in locating fields that we could put a field sign on. If you have any fields that you would like to sign please let us know.

I would like to thank everyone for their seed and agronomy business this year. It has been a challenging spring for all. Please call me for any of your needs and I look forward to working with you again the remainder of this growing season and in the ones to come.

**Joe Kuykendall's Notes:** Thank you very much for your fuel and lubricant business. We appreciate all of our customers, and enjoy working with you on your energy needs.

**Illinois Valley Supply is our LLC Partner for propane.** We will be running our summer fill in July and sign up for our winter contracting and Secure Comfort Budget Plans will be available soon. IVS has been in the propane business for over 50 years and is committed to safety and service. Contact me at (618) 535-1204 to design a program that works for you.

**PROPANE**  
EXCEPTIONAL ENERGY

Bulk lubricant sales continue to grow, and customers that have made the switch from drums to bulk seem to be very pleased. Bulk oil saves valuable shop space and provides a cleaner, safer, and more convenient way to store lubricants. **SEC has tanks as small as 70-gallons to meet the needs of smaller volume users, as well as larger tanks for commercial use. In addition, with the increasing packaging cost associated with jugs and drums, bulk oil is very cost effective.**



If anyone has purchased a **new or used** tractor, combine, telehandler, or new sprayer, please give me a call to discuss how the Total Protection Plan Warranty from Cenex can protect and add value to your investment.

Contact me @ (618) 535-1204 to learn more about how bulk oil or how the TPP Warranty can work for you. I will be happy to meet with you to determine the proper lubricants and tank design that fits your needs.

SEC welcomes any new accounts, and hopes that you have found value in the info in our newsletter. This newsletter is included each month with your statement, and also can be found on [www.shipmanlevator.com](http://www.shipmanlevator.com).

SEC is proud to be one of the sponsors of the NTPA tractor pull at the Jersey County Fair on Friday July 17<sup>th</sup>. The pull begins at 7:00 pm.



By now, we should have picked up any seed that you did not use this season, and if we have not we need to do so immediately. Be sure that we are picking up all of our seed pallets also. The seed companies charge us \$25 per pallet for each one that we do not return.



Ethanol margins were positive for much of June at many ethanol plants, and I hope Center Ethanol Company was able to enjoy some profitability.



One Earth Energy opened on June 24<sup>th</sup>, and startup is going very well.

**Dwayne Milner's Notes;** July 15<sup>th</sup> will be our corn and soybean return deadline, so if you have some extra bags sitting around, make sure you contact myself or your salesman so we can come and pick them up to get you credit. Thanks



The Answer Plot is a great way to go further than just looking at corn hybrids we can look at new technologies, germ plasm, and find answers for common problems or benefits of certain genetics in our area. If you would like to schedule a one on one walk through of the Answer Plot contact me and we can set a date or our annual Answer Plot will be held on September second at 9 am and we will serve lunch following the tour.

This summer when you're thinking about what fields to apply fungicides, remember your genetic families. Eastern, Western and Tropical males all have very good gray leaf spot tolerance which is our most common leaf disease on average. On the other hand, Northern and Southern males are very weak against this leaf disease, placing your fungicide on the right hybrid will make harvest a little more enjoyable and definitely more profitable.

**Brent Phelps Notes:** Many producers hear me talk a lot about **MAX-IN FOR BEANS**. Here is how MAX-IN makes bushels.

**Boron** is essential for germination of pollen grains and growth of pollen tubes as well as formation of seed, cell walls, and protein.

**Iron** is a catalyst in the production of chlorophyll.

**Manganese** is essential for photosynthesis and is not readily available in poorly drained, wet acidic soils. We all had conditions like that this year.

**Molybdenum** is vital for the conversion of nitrates to ammonium in the plant as well as nitrogen fixation of nodules. The key here is nitrogen conversion.

**Zinc** is the growth regulator, and without it we have stunted plants. When soil conditions are cold and wet, zinc is tied up and root growth is slowed.

Another little known fact is when soybeans are sprayed with glyphosate there is a manganese tie-up that takes place in the plant as it metabolizes the chemical. You will then have a yellow color that we are all used to seeing. If this surprises you, let us do a side-by-side. The effectiveness of MAX-IN should be visible twenty four hours after application.



Knowing all this, for \$4.00 an acre we can give our soybeans a boost of all of these vital nutrients in a liquid form. Most of us spray a second time with Roundup, and that is a perfect time to add MAX-IN. Best results come right before the reproductive state, and a two to four bushel/A yield increase is very common. I am relying on my soybeans to help me overcome some three-plant corn this year. If

beans hang around \$12/bu, extra bushels could help push us over the hump. If you are going to spray your beans a second time, make a small investment for a big return.

***“LET’S GROW SOMETHING TOGETHER”***

**Rich Metzger’s Notes:** June has been a very busy month. Many farmers had a full plate of jobs to do. Replant corn, planting beans, harvesting wheat and making hay. Double crop planting of soybeans is moving along at a very fast pace. Remember to increase seeding rates to around 220,000 seeds per acre. SEC has a good supply of group 3 and 4 beans on hand.

With the start of spraying beans please make note of what type of volunteer corn is present (RR or non-GMO) so we can get it controlled. Some of the insects that have been found include, 1<sup>st</sup> generation European corn borer and Japanese beetle. I would like to thank everyone for their business this spring. Have a safe and a happy summer.

***“Growing Your Future One Field At A Time”***

**Joe Wieseman’s Notes:** Shipman Elevator Company will be hosting AgLeader Technology for a customer training day. This training will be held on Tuesday, July 28<sup>th</sup> and will begin at 8:00 a.m. with lunch and refreshments provided. The summer training will focus on the InSight monitor, yield monitor set-up and operation, GPS and Guidance, and a quick review of DirectCommand Systems.



AgLeader Technology has announced an Inventory Reduction Sale on the PFadvantage Yield Monitoring System. This sale on the proven AgLeader Yield Monitoring system is a limited time offer and only available while supplies last. Are you looking for an affordable way to get started in precision farming? Do you need a yield monitor for a second combine? The PFadvantage system is for you!

Key features include:

- Entry-level yield monitoring system.
- Real-time yield and moisture readings.
- Summary information for all fields and loads harvested.

- Automatic memory backup for secure data collection.
  - Yield monitoring kits available for most combines manufactured in the last 30 years.
  - Backed by Ag Leader’s industry leading technical support.
- All of this for only **\$2,995** which includes the complete combine kit.

If you have any questions about the products or services we offer please feel free to call me @ 618-779-2741.

The financial outlook for agriculture is very bright, and is certainly very different than it was just one year ago. Grain prices are still relatively high compared historical values, and most input costs (at least the ones that SEC sells) have dropped significantly since last year.

### Shipman Elevator Company

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#### Management and Support Staff

Bart Baker	General Manager
Regan Wear	Agronomy Sales Manager
Dean Allen	Operations Manager
Dennis Wieseman	Grain Manager
Ron Sheppard	Petroleum Manager
Derek Kahl	Credit Manager
Joyce Allen	AR & AP Bookkeeper
Mary Meyer	Grain Payable Bookkeeper
Cathy Meininger	Billing Specialist

#### Sales Staff

Randy Brown	Eastern Area Agronomy
John Hunter	Jersey County Agronomy
Matt Haarmann	Western Area Agronomy
Jim Walker	Precision Ag Specialist
Joe Kuykendall	Certified Energy Specialist
Dwayne Milner	Seed Specialist/Agronomy
Brent Phelps	Central Area Agronomy
Joe Wieseman	Precision Ag Sales
Rich Metzger	Southern Area Agronomy
Tim Gueldener	Central Area Agronomy

***Have a safe and healthy summer!!***

