



November 2009 Newsletter

I am sure this harvest season has been frustrating for most of you. The cool summer followed by record rainfall in October is making our industry even more of a challenge than most of us would prefer. SEC is anticipating a great November and we are ready to get harvest and the fall fertilizer on track.

There is a huge amount of corn still in the field that is going to be very wet when it is finally harvested. On average, corn does not dry down significantly during November. Knowing this, most of our producers are going to start harvesting as soon as fields dry enough to get thru, and keep going until they are finished.

SEC was fortunate last year to never have to shut down the wet corn line. We don't anticipate being quite so fortunate this year due to anticipated higher moistures combines with higher yields on the later planted corn. We will do everything that we can to maximize the amount of corn we can get thru our dryer, but the prospect of 25-30% moisture corn is going to substantially impact our drying capacity. Our dryer will only dry 1/3 as much corn at 30% moisture as it will at 20% moisture.

The fall anhydrous application season is upon us and we need to cover responsibilities for all involved on the handling of anhydrous ammonia. **Region 5 USEPA has handed out some hefty fines for failing to report ammonia releases.** The reporting threshold is just 100 lbs (18 gallon). In most cases involving fines the incident was reported, but not "immediately". If you have any reason to believe a reportable release of ammonia has occurred while in your possession during transportation or application you must call the National Response Center at (800) 424-8802 and the IL Emergency Management Agency at (800) 782-7860 as well as your Local Emergency Planning Committee (LEPC). The County LEPC numbers are as follows.

Jersey/Calhoun	(618) 576-2417
Greene	(217) 942-5443
Macoupin	(217) 854-3352
Madison	(618) 692-0537
Montgomery	(217) 532-9560

If you are involved in a release and feel you don't have the time to make the call because you have to attend to the emergency itself, at least make the calls quickly, tell them briefly what is going on and that you will call back later with more details. The government really wants the call to take precedence and happen quickly. Dean has wallet cards with the national and IL phone numbers on them. This info is also be posted on www.shipmanelevator.com.



We are operating three custom NH3 application tractors this fall. Chad Woods is one of the operators and his tractor is pulling a 21-shank bar. Quentin Schwab is the second operator and his tractor is pulling a 19-shank bar.



Andrew Murray is the third operator and his tractor will be pulling the John Deere High Speed bar that we are using in partnership with Wm Nobbe & Co. All of those tractors are using automated steering.

Place your order today in order to assure that your NH3 is applied in a timely manner this fall.

October's fall fertilizer has been billed, and is shown in the "Deferred" column on your statement and is not due until January 15, 2010.

Regan Wear's Notes: All producers are looking for the best seed solutions for their farms. Our seed specialists have the right answers for your operation. We have the right hybrids to place on your farm with the right mix of traits to match the environment and stress load on the crop. We are seeing a wide range of prices on the offerings of the trait combinations. It is more important than ever to make sure the trait packages fit your needs to give you the best return on your trait investment. Talk

with our seed and agronomy professional to discuss what has the best fit on your farm



Spreading of dry fertilizer has been off to a slow start this fall with the late harvest. We have been keeping up very well on spreading both dry fertilizer and lime on your fields this fall so far. We are ready to spread on frozen ground and do whatever it takes to get crop nutrients on before next spring when the bad fall weather could slow spring planting.

Kevin Schwartz from Alvey Labs has been very busy pulling soil samples on Tuesday and Thursday, and we are receiving a lot of data on your fields.



We recommend using VRT sampling so we have the ability to put right products in the right amounts where you need it to maximize yields. Talk with your salesperson to design a plan to maximize your crop input dollars.



We appreciate the opportunity to demonstrate the value our quality seed packages and people can do on your farm. The Answer Plot gives us a great opportunity to demonstrate the latest seed and traits that are available on the market. We also have a lot of local plot data that we have been working on. We have this posted on the web site Agronomy page

and have copies at the office. Talk with your salesperson if you would like to see more data.



Our bulk seed plant and seed treatment project is almost complete. We will begin receiving beans in another week or so, and the automated treater is ready to treat your seed beans. We will have an Open House later this winter for our Pioneer, Croplan, and Mycogen seed customers, and we are very excited about getting that group of great customers together at one time.

Brent Phelps Notes: With harvest off to a slow start we have been fortunate enough to get some of our plots out and gather the information we've waited all year for. It is quite humorous to see 5 or 6 different seed reps standing around my weigh wagon with clip boards and calculators hoping there company comes out on top.

Number 1 only means so much. But if I take 5 hybrids to a plot, I want those five all to end up in the top 10. A blind squirrel will sometimes find a nut. If you only have one number that's in the top ten, then go home and re evaluate. Mycogen 2V732 and 2G847 were tough to beat any place this year for top end yield and test weight. Croplan 7505 which is commonly referred to as "THE GENERAL", is at the top no matter where it goes. Not to mention it will stand till Christmas, and won't that be handy this year.

A good friend of mine put out a competitive plot this year consisting of 15 of their own numbers, 3 of mine, and 2 from another national company. 2 of mine were in the top 5, and the other was in the top ten. That is real results from a competitor's plot. With only 3 hybrids, the odds are stacked against us in a situation like that. All SEC plot results are on the agronomy page of our website. Take a look and see for yourself. I am very proud of our lineup and how we fared this year.

SEC has great hybrids and I am committed to standing behind our "We Know Your Fields" slogan,

and I will do my best to help you select the best hybrids for your fields.

“ LETS GROW SOMETHING TOGETHER”

Remember that our NH3 tanks are locked when they are at our facility.



These locks will be removed from each tank as they leave our plant. If by some chance, we have neglected to remove the lock, please call us ASAP so that we can get the tank opened before you need to use it.

Dennis Wieseman's Notes: River terminals are once again increasing their discounts for corn. Moisture discounts have increased to at least \$0.10 per point with Granite Grain charging \$0.15 per point for corn above 18%.

The late-planted corn and the cool, wet weather have created concerns that the bulk of the remaining corn crop will be harvested very wet. This will slow down handling time and make it difficult for terminals to make grades on barges. Local elevators will face the same problems and will find it hard to keep up on drying corn.

A number of factors have contributed to the strong rally we saw during October. Corn rallied about \$0.75 per bushel since October 1st and soybeans gained about \$1.10. Obviously, the extremely wet weather played a big part in this market move, but just as important has been the slide of the U.S. dollar to new contract lows. Additional strength came from crude oil prices rising above \$80.00 per barrel.

New money entered all these markets because of the weak dollar, which was very evident when gold soared to a new all-time high.

Back in August, we started projecting that December corn futures should be able to move back to between \$3.75 and \$4.00 and possibly up to \$4.25. We suggested that our producers should be sellers of \$4.00 plus corn for December and beyond. Our producers responded and sold about 500,000 bushel of grain for this winter delivery during the week of October 19th.

The point is that we want to make sure we don't forget to market our grain at profitable levels whenever the market gives us that chance. Corn exports remain slow and South America is off to a fast soybean planting pace that is expected to generate a record number of bean acres. Remember, the market today is a global market and crop problems here can be solved with production elsewhere. It is never too early to get those grain offers in place.



SBI Update: Ethanol margins continue to be better at Center Ethanol Company and One Earth Energy, but nearly good enough to expect a cash return this year.

We will be receiving our portion of the Small Producer Tax Credit from CEC. This is not a huge return on our investments, but significant nonetheless. This amount was approximately \$119,000 for the 2008 tax year, and I expect the 2009 amount to be similar.

Ron Sheppard's Notes: This last month has seen quite a bit of strength in the energy markets. Crude oil started out the month just over \$70 and topped out over \$80. Much of the strength came from the weakness of the dollar and the fact that there has been some refineries closed due to low margins.



The market does seem to be overbought, but I would caution that we will not likely see a pull back we seen last year. We will see resistance levels at \$82 and at \$90. Support levels look to be at \$78 and \$75. In my opinion, if crude oil gets to a level between \$70 and \$75, it looks to be a time to lock in some of your future diesel fuel needs.

As winter approaches, many customers have asked about winterizing their diesel fuel. We have been adding an additive called Artic-Flo to all of our diesel deliveries since October 12th. This will improve operability by 15 to 25 degrees and it should allow you to use 5% Soy Diesel throughout the winter. There is still a concern about winter operability with soy diesel, **I would strongly recommend not using more than a B5 for winter.** Keep in mind that winter blending with #1 diesel fuel could be very difficult this year, with #1 diesel fuel being basically unavailable. Last year we had great success using Artic-Flo and cutting back to 5% or less Soydiesel blend. With last year being one of the colder winters of the past few years, we were very happy with the results we had.

Be sure to let us know if you have any empty **Cenex** barrels. We are scheduling a truck to return the empty barrels back to Cenex. Either drop the barrels by our main office, or let us know that you have some so that we can pick them up when we are in the area.



Brian Craig is this month's spotlight employee at SEC. Brian began at SEC this spring and has done several jobs at SEC including operating the ag chem building and doing general maintenance. Brian is a member of the Army Reserve and has served in Iraq. Brian and his wife of 28 years have two children and are expecting to be grandparents in 2010. Brian lives in the Brighton area.



Matt Haarmann's Notes:

Pre-Season Rewards Program is here. It is time to order your Pioneer Seed for 2010 if you have not already done so. The pre-season program will be similar to last year. There will be an 8% discount for cash and 8% discount when you use Deferred Pay

with PHI Financial Services. The Pre-Rewards ends November 25, 2009. PHI Financial Services will be available again this year, and PHI is a great way to take advantage of the early discounts with a prime minus 1% interest rate on all orders.

Grain quality continues to be an issue with many growers, especially in corn on corn situations. Pioneer continues to be an industry leader in grain quality and high test weight. In the picture below are ear samples taken from a plot in central Illinois. The five ears on the left are P1236XR, 35K04, 33F88, P1395XR, and 33W84. The five ears on the right are competitor hybrids.



We are seeing excellent soybean yields coming out of the fields. The new "Y" series beans are dominating the soybean plots that have been coming out. 93M42, 94Y01, and 94Y20 will be our top soybean lineup for next year. Contact John, Tim, or myself for plot information or if you have any questions.

Thank you for your business!

Joe Kuykendall's Comments:



Thank You For Your Fuel and Lubricant Business! This has been a very challenging fall for everyone. Let SEC take care of your fuel and lubricant needs and we can help make things a little easier. We strive to fulfill all orders within 24 hrs. and can deliver the lubricant products you need including bulk oil in a timely manner as well.

Gear Up with a Hardworking Bonus from Cenex Lubricants. From now thru January 31, 2010 get a **\$75.00 gift card for purchasing 100-gallons or**

more of Cenex SuperLube TMS, Maxtron DEO, or Qwiklift HTB. **As an added bonus receive an additional \$25.00 gift card for purchasing at least 4 boxes of Cenex Grease.** Gift cards are your choice of Cabela's, Sears, or Applebee's.

Derek Kahl's Notes: Have you renewed or signed up for Your 2010 Crop Input loan yet??

Loan Season is open!!!! All of the best money saving programs are available to you **now**, and won't last much longer. Deferred fertilizer programs are in full swing. You can retain your 2009 grain proceeds for other obligations and pay your account by utilizing the CFA Input Advantage Program.

With the wide array of financing programs available to producers, it is not odd that patrons struggle with which program to use.

Keep in mind that many companies offer low interest rates to entice business, but fail to meet other needs that patrons have like loan maturities that match your marketing needs, credit lines up to \$150, 000, and professional, yet confidential lenders who know your business needs. SEC is a partner with multiple companies that offer 2010 Input Financing Programs. Give me a call today to set up an on farm meeting to discuss the options available to you through our financing partners, and to help determine the right financing choice to help maximize your operations profits.

In the next two weeks many patrons will be receiving an **Agricultural Inputs Exemption Certificate** in the mail from SEC. We are required by state law to have this certificate on file if your operation is exempt from paying Illinois Sales Tax. The current certificate that you have on file expires on December 31, 2009. If you wish to retain your sales tax exempt status for Agricultural Inputs purchased on or after January 1, 2010, you must complete and return the **Agricultural Inputs Exemption Certificate**. If the Certificate is not returned, SEC will be required to charge sales tax on all of your purchases from SEC until we receive the Certificate back from you.

Dwayne Milner's Notes: It's time to order your Croplan and Mycogen seed. November 15th is the deadline for our first pre-pay price. We have some very attractive prices and programs for the 2010 crop year. December 1st is the cutoff for enrolling in Rabo financing and Farm Plan for seed for the 2010 crop year. We have 0% financing on both Croplan and Mycogen corn until December of 2010. If you are interested in any of our financing options,

Contact your local salesperson and they will be happy to discuss the options that fit your needs.

This year our Croplan and Mycogen corn are performing very well in our trade territory. I have a lot of plot data, on our lead hybrids for 2010 if anyone is interested. A great website for a neutral look at plot data is www.firstseedtests.com. This year I am very pleased that both Croplan and Mycogen participated in the first trials. If you have any questions feel free to call me at the office.



Remember when choosing hybrids for 2010 its all about positioning the right hybrid for the environment. That's why we start at the soil type and work our way up to make sure we position a product that fits your needs. A hybrid that works well for some farms might not fit your farms environment.

Rich Metzger's Notes: The 2009 crop year has a wild roller coaster ride to say the least. The large swings in temperatures, rainfall amounts, input costs, and finally crop prices have been extreme. The yields in my sales are for both corn and soybeans have great, and I am seeing corn yields at 200+ and bean yields of 50+ per acre. With these yields, we need to look closely at how much nutrients are being removed.

With high input costs of a year ago most growers applied reduced rates, or no nutrients at all. 200 bushel of corn will remove 165 pounds DAP and 90 pounds of potash. With beans removing 90 pounds of DAP and 110 pounds of potash at a yield of 50 bushel. One way to see were you are in this process is to soil sample every 4 years.

SEC is excited to put our need seed treatment facility in operation. This new plant will give us the option of up to 8 varieties of seed beans and to treat them with some of the best treatments in the industry. This new automated system will be ready to treat your beans in the weeks to come. Watch for an invitation to come see our new treatment facility.

Growing your future one field at a time!

Joe Wieseman's Notes: With harvest delays and all the wet weather its hard to tell when we might be able to run strong in the field. But as we all know when the weather does break and we can resume fall harvest and fertilizer application, we will be in for some long days and a lot of work late into the night. To improve the efficiency of your farming procedures I recommend using an assisted steering system for fertilizer and NH3 application as well as any fall tillage you might be able to complete. AgLeader offers a good lineup of operator friendly, cost effective guidance solutions for your farming operation.



It's always a good idea to reduce overlaps or skips and make the most of every drop of fertilizer, and fuel. A lightbar is a very useful tool to assist in reducing waste and reducing operator fatigue. If you have any questions about the products or services we offer please feel free to call me @ (618) 779-2741.

United States Department of Agriculture



Natural Resources Conservation Service
300 Carlinville Plaza
Carlinville, IL 62626

(217) 854-2626 ext 3
FAX: (217) 854-4102

Conservation Stewardship Program (CSP)

Continuous enrollment. Available nationwide.

Receive financial assistance while conserving the natural resources on your operation!
CSP encourages producers to improve conservation systems by installing additional activities and improving, maintaining and managing existing conservation activities.

1. Are you ready to apply new conservation activities on your agricultural land or on your nonindustrial private forestland?
2. Are you willing to commit time to inventory and document your conservation activities and production system to determine eligibility and ranking?
3. Do you have records and will you continue maintaining records to document your conservation activities?

If you answered yes to these questions, CSP may be right for you.

To learn more or access the CSP Producer Self-Screening Checklist, visit www.nrcs.usda.gov/new_csp/ or stop by your local NRCS field office.