



# PRAIRIE LAND COOPERATIVE

P.O. Box 309 • Hubbard, Iowa 50122-0309

- ACKLEY
- ALDEN
- ALLISON
- AUSTINVILLE
- CLEVES
- ELLSWORTH
- FAULKNER
- GARDEN CITY
- GENEVA
- HUBBARD
- NEW PROVIDENCE
- OWASA
- STEAMBOAT ROCK
- UNION
- WILLIAMS

## PLAN TO ATTEND THE ANNUAL MEETING

### Another Successful Year

The 2010 annual meeting is scheduled for Saturday, January 15, 2011, with lunch at 11:30 am and the meeting to begin at 12:30 pm. The annual meeting lunch will be served at the Iowa Falls/Alden High School lunch room and the meeting will be held in the adjoining auditorium. The Iowa Falls/Alden High School is located at 1903 North Taylor. The letter announcing the annual meeting and containing all of the detail was mailed on December 3rd.

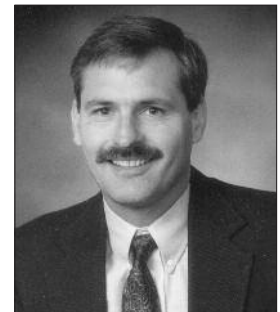
Sales were \$257,536,561 last year, down from the previous year's total of \$300,149,685. This decrease is a result of lower commodity prices for corn, beans, meal, fertilizer, diesel and LP. Profits were \$7,374,616 last year compared to \$5,793,222 the previous year. A complete report will be presented at the annual meeting. Patronage checks were mailed in late November.

The annual meeting letter mailed on December 3rd mentioned that 13 of the last 15 individual board member elections were uncontested. The board is evaluating several different alternatives to address this subject. There continues to be less and less of us directly involved in the business of farming, but still many other activities that take time and effort. These fewer people are left to govern the same activities.

It appears that the ethanol credits will be extended as of this writing. I believe that these credits are an important tool. We will need additional assistance in the form of expanding market share through the use of E15 blends and additional vehicle capabilities. I believe that these benefits are warranted when evaluating energy related credits and assistance provided to other energy sectors.

This fall season was another one for the record books, but mostly for the opposite reasons as last year. The early and extended season provided an opportunity for significant field work to be completed. PLC was fortunate to keep up with the additional fertilizer demands that were placed on the system. Prices moved up, but product was available. It was only a short 2 years ago that price volatility created real challenges and here we are again. We will continue to place a heavy emphasis on forecasting and financial commitment in order to mitigate these volatility risks. The fertilizer system will operate at higher price points until the corn, wheat and bean prices are reduced as a result of more supply.

The Christmas and New Year's holidays both are on a Saturday this year. PLC will be closed both Fridays and weekends this year to allow the employees time to spend with their families.



**By Rick Vaughan  
General Manager**

*All of us at PLC wish you and your loved ones a very Merry Christmas and a safe holiday season. Thanks for your business!!!*

## FEED DEPARTMENT NEWS

### Key Points To Help Manage Volatility

Volatility has been prevalent in the market place for agriculture. What do we do to function in this realm? Everyone in the livestock business has a different answer to this question. I feel that there are some key points to consider.

1. Know your breakeven on any venture, be it grain or livestock
2. If there is a profit to be taken, why not market ahead
3. Never look back after a decision has been made at a profitable level and second guess your decision
4. Everyone can stay in business at a profit
5. We can help with the breakeven projections based on your own operation inputs

Pig facilities are becoming more available. If you are in need of one, please contact me.

Feed needs for wintering beef cows change as the weather changes. As I am writing this, we have had decent conditions. Remember feeding energy goes a long way on keeping cows in the proper body condition. We carry a lot of different products to complement your specific livestock needs.

Bookings on DDG's, soybean meal, corn, soy hulls, and wheat midds are available. Our staff can help you with the pricing of these feeds.

Corn distillers dried grains are continuing to be implemented into rations to gain higher feed usage. We are using the technology available to be assured that diets are balanced properly.

Have a safe and happy holiday.



**By Rich Groepper  
Feed Department  
Manager**

## Let's Think Spring!



By Tim Krausman  
Agronomy  
Department Manager

*Have a Merry  
Christmas  
and a Happy  
New Year!*

This past weekend's blizzard has put final closure on a great fall. The weather was excellent for getting the crops out of the field. Also, the weather was excellent for getting soil samples pulled. The last couple of falls have been challenged with how wet and how late we have been, which didn't allow for all the sampling needs to be covered. With the extended fall, we were able to get dry fertilizer, lime, and NH<sub>3</sub> applied as well. We are extremely happy with that as we should be ahead of the game if the weather cooperates this spring.

With the grain prices rising and overall farm income increasing, the fertilizer prices increased as well. While we talk about the weather cooperating with us to get a fair amount of fertilizers applied it did lend to some supply challenges. These supply issues also helped drive the prices up. The NH<sub>3</sub> pipeline was down until we began application which caused much of our supply issues this fall. The excellent weather provided growers that normally

are spring applicators to move their application to the fall. This is great for us moving into spring, but enhanced the supply issues this fall. Going into the spring all fertilizer supplies are very tight. With the last comment in mind, today fertilizer prices are still strong moving into spring.

I want to throw some thoughts at you as we move into prepay. Last summer we struggled to kill weeds throughout the summer with glyphosate applications. Glyphosate is still probably the best chemical on the market, but we are beginning to see some holes in it. This makes it necessary to use multiple modes of action on the weeds. The days of using 2 shots of glyphosate in a season and getting by with it are numbered. I would challenge everyone to use a pre herbicide, and also add other products to help glyphosate control the weeds that are getting tolerant to the herbicide. Some weeds in particular are waterhemp, giant ragweed, lambsquarter, marehail, cocklebur, and velvet leaf. I am not say-

ing that glyphosate doesn't work on these products, I am saying that other products in addition with glyphosate work better today, and will help us keep glyphosate viable moving forward.

Last growing season we saw a slight decrease in the numbers of acres applied with fungicide throughout a couple of locations. In talking with many growers, the vast majority of those that applied fungicide were extremely happy. A rough average for soybeans was 8 bushel, and corn around 12 bushel. Fungicide application is at a tough time of year when a fair amount of money has already been spent, and you don't know if the application will be beneficial. I would encourage you to think about your fungicide application during prepay. It is when the price is the best for fungicide and it takes some of the emotion out of it. It will also allow you to lock in some grain, if you would like, at decent prices to offset the cost of the application.

Thanks for all of your business.

### 'TIS THE SEASON

## Not Another Tie This Year



By Tim Dreier  
Lumber Department  
Manager

Holiday gift ideas for the last minute shopper for Christmas, New Years, or Martin Luther King Jr's birthday:

We have a wide selection of overhead garage doors available, standard and custom sizing, numerous glass styles, electric operators to fit the door, and all can be purchased with installation included.

Kitchen, bath, and bar cabinets and/or countertops. A new product is the 180FX by Formica Group. This new technology creates a laminate pattern that captures all the visuals of a granite slab without the repetition found in regular laminates AND at a smaller price than granite. Just 9 colors to choose from (which can be a positive).

Stop in to look at our larger 12"x12" samples.

Pole buildings are an inexpensive gift. Used mainly for livestock, machinery, storage, and shops. With our assis-

tance, they can also be built as a home in the front half with space in the back half for your horses, making it much easier to do chores on those cold winter days.

DeWalt tools look great under the tree, or as bulky stocking stuffers. If all ideas fail, and as a last resort, you can give the gift that keeps on giving: the always popular 1 lb. box of 2" roofing nails.

Other business; We're getting word that steel mills will most likely be raising their prices in Jan. and Feb. If you have been considering covering any of your buildings or home, talk to us. We can measure the project now to place the order before the increase.

Lumber pricing is at the lower side and has had minimal movement over the last few weeks. Window, door, and cabinet prices haven't increased in "ages". Interest rates are low. This adds up to a great time to remodel or purchase a home improvement gift certificate available ONLY at Prairie Land Lumber.

Thank you for your support in 2010. We look forward to helping with your building and repair needs in 2011.

**Holiday  
Special**

**10% OFF**

All our Martin Senour  
Interior Paint is now  
10% off through  
Jan. 31, 2011

# Global Issues Affect All Of Us

As of this writing, congressional negotiators have agreed to extend the \$.45/gallon subsidy for ethanol for one more year and also continue the tariff that is in place for imported ethanol. The bill would also resurrect and extend for another year the \$1/gallon subsidy for biodiesel that expired at the end of last year. According to Senator Grassley, the bill "will boost jobs and investment in the alternative energy sector, exactly when the economy needs a real shot in the arm." Critics of the ethanol industry thought they had their best chance ever this year to kill the subsidy and tariff, but Grassley was well positioned to defend the industry. This would be an unexpected benefit to Prairie

Land and consumers.

We continue to see crude range bound at \$85 - \$90, but expectations are for it to surge higher. Based on the weak dollar, OPEC's output unchanged, China's interest rates, and Euro zone member's failure to bailout ailing member countries, the trend would be up.

With crude oil being the catalyst, the rest of the energy commodities are following. Diesel fuel continues to bounce up and down with a two step up and one step down approach. This makes a moving target harder to get a handle on the right time to buy for spring. Let's hope we can purchase fuel for this spring on the dips.

One of the frequent questions that was asked after fall corn dryer

season was, due to the fact that there wasn't very many gallons of corn dryer LP used, isn't the price getting much cheaper? Unfortunately, the answer is no. Propane's price typically follows the trend of crude oil and we all know what that has been doing. As most of you know when you follow grain prices, it's not just a local market price, but a global. All fuels including propane are the same way. I don't want to burst any farmer/producer's bubble, but agriculture propane is a very small portion of the world's propane demands.

Let's hope Mother Nature gives an easier winter than last year! Have a very Merry Christmas and a Happy New Year.



**By Randy Swenson**  
Energy Department  
Manager

## GRAIN DEPARTMENT UPDATES

# What An Incredible Fall!

### Fall Harvest

First of all, I want to thank everyone for a great 2010 fall harvest. What a difference a year makes. Last year the average moisture on corn across our scales was 21.0%. This year it was 14.9%. Using those simple averages it saved those that delivered this fall nearly 4 million dollars in drying costs vs. last year. Those savings can now be put back into our local economy in many other ways. The two new dryers were completed just in time for harvest and we basically didn't need them. None the less, they are excellent additions to the Garden City and Lawn Hill locations and we will be much better prepared for our next wet season. The old dryers were 35+ years old and had served us well. Soybean receipts this harvest set a record at Prairie Land with fall receipts up 28% over a year ago. Those additional beans brought on some logistics challenges as it used up a large amount of corn space at some locations. When it was all over we ended up with only one outside pile and that was at Hubbard. We had not piled corn outside at Hubbard since 1987! Another comparison to a year ago was that it took 70 days to harvest the 2009 crop and just 48 days this year start to finish. That was an incredible pace thanks to Mother Nature!

### Markets

The bulls have basically had the run of the market the past several months. Several areas in the Midwest were not as fortunate as us with harvest bushels and that has definitely helped send the commodity prices higher. Corn is up \$1.00 and beans are up nearly

\$2.00 since October 1st. Many other outside factors are also influencing the markets the past several months. Crude oil is up \$10.00, gas is up over 25 cents, and the US dollar has been working lower the past several months only to turn higher just the past couple of weeks. The Dow has been on a steady climb higher the past several months. The weather in Russia, South America, China, and Australia has all been influencing our grain prices the past several months. It is truly becoming a world market that we are trading.

The USDA has just come out with the December S & D with very little changes from the November report. The trade will now begin to focus on the key January 12th final production and stocks report. It appears that congress will approve an ethanol subsidy for the coming year. That will keep the trade anticipating higher corn use for ethanol for the balance of the marketing year. The quality of this year's corn crop is influencing feed use. Feeders are reporting much better feed efficiency with the better quality corn. This will also be a factor in the upcoming January report. Locally grain movement has been light. Most of you have sold the majority of your 2010 crop and are just holding the balance for a potential weather scare this spring. The trade feels that the funds will not be willing to take on more ownership until after the 1st of the year. It appears that it will be a very choppy trade leading into the holidays.

As always, Thank You for your grain business!!

### Grain Bid History

Date	Corn	Beans
12/10/2010	\$5.32	\$ 12.14
Week Ago	\$5.30	\$ 12.39
Month Ago	\$5.18	\$ 12.49
6 Months Ago	\$3.14	\$ 9.01
1 Year Ago	\$3.51	\$ 9.77
5 Years Ago	\$1.64	\$ 5.37
10 Years Ago	\$1.81	\$ 4.79
20 Years Ago	\$2.11	\$ 5.74
30 Years Ago	\$2.77	\$ 6.60



**By Ron Barkema**  
Grain Department  
Manager

*Have a Merry  
Christmas and a  
Happy Prosperous  
New Year!*

## Wit and Wisdom

*"I know of no pursuit in which more real and important services can be rendered to any country than by improving its agriculture, its breed of useful animals, and other branches of a husbandman's cares."*

*George Washington*

**Prairie Land Cooperative  
P.O. Box 309  
Hubbard, Iowa 50122-0309**

**Address Service Requested**

PRESORTED  
STANDARD  
U.S. POSTAGE  
**PAID**  
ELDORA, IOWA  
PERMIT NO.100



## READY FOR SPRING?

# Moving Forward



**By Chris Phipps  
Seed Department  
Manager**

We are going into winter with work done ahead of the last couple years. We have more field work done, more nitrogen applied, and are hopefully ready for spring. The question is, have you made your seed decisions? If not, you are falling behind. A lot of seed has been prepaid or booked, and what is left is harder to get. I was amazed last week when I saw on Craigslist a grower looking to find Dekalb 61-69 which is in very short supply this year. There are several hybrids either hard to find or sold out already. Moral of the story - don't wait too long to book your seed or you won't get everything you want.

I've had a lot of questions whether all these high priced traits hold their own, and my answer is,

most do. They will have a harder time separating themselves on a year with plenty of moisture or a lack of insects. I would expect for them to stand out on a drier year with more stress and be very profitable. I have noticed that they seem to have a larger root system, stronger stalk, and healthier plant.

I recently sat in a Syngenta meeting while they talked about Artesian corn or, more commonly, drought corn. I remember thinking, how is this going to help us, especially on a year where some areas had almost twice their normal rain fall? They are launching it this coming crop year in areas that have more water stress than we do, like central Nebraska. When it comes to our area, they tell us even on a wet year the Artesian corn

will help on those hot days in late July when corn leaves are rolled up and the plant is stressed. It will reduce the stress on the plant resulting in high yields.

To help you weed through all the different seed choices, we now have our PLC plots on the Prairie Land Web site ([www.plc.coop](http://www.plc.coop)) under test plots. We also have printed copies of our yield book in each of our PLC agronomy offices. Stop in and get one, or better yet, stop in and get a field by field seed recommendation. Remember, things change and your seed company of yesterday needs to perform to today's standards or you need to move forward to better yourself.