



April 28, 2009

# VISION

## From the General Manager

Ron Hunter



We are moving quickly toward finishing up last years business. We have our auditors, Stevenson and Associates, on site completing last year's financials.

We have started the election process with the Nomination Ballots going out for member approval of or addition to the slate of candidates for the Director positions open for this year. We will follow up with the Director Election Ballot shortly after the end of the nomination election period. We encourage each voting member to cast their ballot. We send out 3,500 ballots and get a small portion returned to be counted. Please take time to fill out your ballot and mail it back in to be counted.

We will again have local earnings for the year ending Feb 28, 2009. We will be revolving deferred equity, paying cash patronage and continue to pay estates as we have in the past. Ag Valley was able to generate respectable earnings in 2008 while operating in a volatile marketplace that set traditional trends aside and pushed the limits up until it decided to turn around and reverse itself.

All our divisions inside Ag Valley had local earnings this year, but there were business segments inside divisions that have to be subsidized by their counter-parts. We have broken many sales dollar and sales quantity records for Ag Valley over the last year due to higher prices of commodities as well as higher prices of inputs and a forecast of higher demand for corn for the ethanol industry creating an opportunity for increased earnings on the farm. Lower crop prices and higher input prices will reduce sales dollar volume as well as quantity sales reducing 2009 volume expectation by about 25% at Ag Valley.

Our focus will remain the same with the goal of providing quality service and access to goods and markets as we move through the new year.

We want to remind our member customers of our tighter credit policy in place today. We recognize that it has and will take more effort to meet the timely payment standard in place today. We have moved from being a short term lender to being convenience credit for our customers. We have financing available for our customers that will provide financing up to harvest at very respectable rates. Please help us keep our accounts receivable current by paying timely and according to terms.

*Please mark your calendar for the*  
**Ag Valley Coop Annual Meeting on June 1st & 2nd**  
**The entertainment will be: Gretchen Bergquist, Miss Nebraska 2008**  
**(performing in Maywood on June 1st and Arapahoe on June 2nd)**



Soil conditions couldn't be much better in our area after local weathermen finally got it right and we caught a good rain. Just like grain traders, weathermen are some of the few who are lucky enough to keep their job when they're wrong much of the time. They've been correctly forecasting the wind though, haven't they?

Although we've had a slow start to corn planting, weather maps look very favorable this coming week and farmers should catch up rather quickly. With today's modern equipment, it's not a matter of *if* but *when* the corn gets planted. If weather conditions remain conducive and the planters keep rolling, will they plant more corn?

The market's focus has been on old crop beans and how many beans the world will need from the United States. US beans remain the cheapest source for China and firming ocean freight is only helping our competitiveness. The million dollar question here is how much longer will China buy? They've been building their reserves for some time already.

In a recent article written by Ambrose Evans-Pritchard, I learned China has also been buying copper and other industrial metals at a brisk pace. Some think Beijing is trying to extricate itself from dollar dependency and in buying raw materials, they get a much bigger impact.

Hybrid cars will play a big role in the next industrial revolution, and they need copper. Aluminum, zinc, nickel, and rarer metals like titanium, indium, rhodium and praseodymium are also being accumulated. China is taking advantage of the commodity crash to restock cheaply and in doing so, they're also diversifying out of US Treasuries and dollar holdings. Beijing feels the US Federal Reserve is engineering a covert default on America's debt by printing more money. Premier Wen Jiabao issued a blunt warning last month that China was tiring of US bonds.



The beauty of recycling China's surplus into metals is that it does so many things in one step. It stops the yuan rising, without provoking complaints of currency manipulation from Washington. Metals are easily stored in warehouses (unlike soybeans). The holdings are likely to rise in value over time since the earth's crust is gradually being depleted of accessible ores. Above all, such a policy safeguards China's industrial revolution, while the West may one day face a supply crisis.

Even though the above mentioned article speaks of metal purchases, soybeans are also a raw commodity and many similar advantages can be found by stockpiling even more of these.

Confirming rumors of disappointing yields from the country, Argentina recently lowered their bean crop estimate 2.4 mmt to 37 mmt and some think that the crop size may slip even further. South America's soybean harvest is better than 90% complete in Brazil and two-thirds harvested in Argentina.

Large inventories of wheat in the world and relatively favorable Northern Hemisphere new crop production expectations continue to pressure wheat values. There has however, been a lot of discussion related to the April 7<sup>th</sup> freeze in southern US wheat producing areas. Critics say the crop was in too early of a growth stage to do too much damage; but like is usually the case with wheat, we won't know the true extent of damage until the machines move in to harvest. Many others feel that the excellent moisture received since then will offset a great deal of these losses. Overall, US wheat remains uncompetitive in the marketplace though.

Weather will play an important roll for the foreseeable future. Forecasts can and will still change, possibly bringing more wet and cool weather. Fall crops are far from being completely planted and a late freeze could still do quite a bit of harm. Because of all this, expect the markets to retain some amount of risk premium going forward.

Our free storage program on farm-stored corn delivered to designated locations is still running. Call Tim, Fran or Scott at the Edison office (800-228-1352) for more information.

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# Agronomy Report

Darrell Fellows



What a beautiful spring we've had thus far through the time of this writing. Maybe a little breezy at times but that is to be expected if we are to get any "April showers". Agronomy was off to a good start since mid-February with the application of dry fertilizer. Through the month of March, Ag Valley had six dry application machines busy across our trade territory and it is still on-going to date.

Many of our area farmers are using best management practices with their nitrogen and phosphorus applications. They are treating their nitrogen with Nutrisphere-N and their phosphate with Avail.

The addition of Nutrisphere-N reduces urea volatilization and nitrification in the soil and it will last a full growing season. Nutrisphere-N can be used with dry and liquid nitrogen products and ensures the best efficiency on your nitrogen investment.

Another well known fact and research has proven is that 75%—95% of phosphorus is tied up, or fixed in our soils. Avail additive is designed to prevent the fixation of applied phosphorus to our soils. Avail provides the opportunity for greater phosphorus efficiency, improved yield potential and in turn increase profitability. It is available for use on liquid and dry phosphates.

Agronomy has come a long way over the years, just as tractors and planters have changed. Through research and development of new products, companies are honing in on agriculture to continue to provide food for a growing world. These products that increase yields are all around us. Field experience, application timing and the proper placement of these products all lead to that return on investment that you as a producer need.

We at Ag Valley Coop have many value-added-products in our lineup to serve the needs of our growers and their crops. Our agronomists attend university and extension service seminars, field test plots and distributor training classes to keep abreast of new developments. Ag Valley Coop monitors our own testing with side by sides on products. We endorse those that have consistently performed in our area. If you have seen an ad or heard about a new product on the radio, be sure to ask your Ag Valley agronomist what he knows about it. We will continue to do our best to bring you products that put you on the leading edge.

## *Is an Ag Valley Co-op Career in Your Future?*

**The Ag Valley Coop Agronomy Scholars program integrates the Precision Agriculture curriculum at the Nebraska College of Technical Agriculture in Curtis (NCTA) with a progressive internship experience at Ag Valley Coop.**

**Scholars that achieve academic success at NCTA and provide solid job performance during their internship at Ag Valley Coop may receive full tuition scholarships for their NCTA degree (up to \$2,100 per semester for 4 semesters).**

**If you are interested in the NCTA/Ag Valley Coop Agronomy Scholars Program, please call 1-800-3CURTIS or visit the web site at <http://ncta.unl.edu>**

# Petroleum Report

Lon Zeller



**.This Warranty Can Help You Sleep At Night.  
Assuming You Stop For Sleep.**

## Protection + Performance = Peace of Mind

Whether you buy new or used equipment, you simply won't find a better way to protect your investment. That's because this warranty gives you unsurpassed coverage while helping to ensure that only high-quality energy products go into your equipment.

When you use Ruby Fieldmaster<sup>®</sup> Soy-Enhanced Premium Diesel and Cenex<sup>®</sup> lubricants exclusively, you'll get up to 10 years or 10,000 hours of engine and transmission coverage.



## What makes this the best Warranty in Agriculture?

- Covers new equipment for up to 10 years or 10,000 hours
- Covers a wide variety of equipment
- No deductible
- Minimal enrollment fee
- No operator "burden of proof"
- Transferable

To learn more about the best Warranty in Agriculture, please give your **Ag Valley Energy Sales Team** a call.

**Jim Traill East Region Energy Sales 308-962-4214**  
**Brad Stephen West Region Energy Sales 308-340-0879**

## Ag Valley Coop Board of Directors

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## Phone Numbers

<b>Edison</b>	<b>Ampride</b>	<b>Arapahoe</b>	<b>Bartley</b>	<b>Beaver City</b>	<b>Cambridge</b>
800-228-1352	308-824-3850	877-250-2049	308-692-3444	308-268-4155	866-339-4057
<b>Curtis</b>	<b>Hendley</b>	<b>Holbrook</b>	<b>Indianola</b>	<b>Lebanon</b>	<b>Maywood</b>
800-416-5795	800-848-2575	308-493-5690	800-762-1589	308-375-4211	800-233-4551
<b>Moorefield</b>	<b>North Platte</b>	<b>Orleans</b>	<b>Oxford</b>	<b>Stamford</b>	<b>Wilsonville</b>
888-214-6898	800-303-7636	308-473-4075	308-824-3431	308-868-2785	308-349-4401
	<b>Norton, KS</b>	<b>Norton Station</b>	<b>Clayton, KS</b>	<b>Reager, KS</b>	
	785-877-5131	785-877-5188	785-693-4522	785-877-3707	

# Seed Report

Tom Geiser



Corn planting in our sales area is just getting underway. Most of our sales area had a wonderful rain, so the seed bed should be excellent. The soil temperature is still in the 40's so accurate planting depth and seed placement is essential. If you still have not got all of your seed corn needs taken care of contact your local Ag Valley Agronomist and he can fix you up with the right type of genetics for your farm.

We still have a good supply of soybean seed available for sale. There are bulk soybeans in Arapahoe, Indianola and Maywood. Because of the amount of soybeans being planted this year, seed tenders will be available on a first come first serve basis. Ag Valley regrets having to do this again, but it really seemed to help get the seed tenders back in a timely fashion. There will be a \$50.00 per day charge if the seed tender is not returned in 3 days after it was checked out. All three locations will have the ability to inoculate and treat your soybeans this year. The cost will be \$2.75 a unit to inoculate with Vault; \$5.50 a unit to inoculate with Optimize; \$2.75 a unit to apply Warden RTA fungicide and \$5.25 a unit to apply Nitro Shield Insecticide. With the price of soybean seed, treating and inoculating is good insurance for a good stand of soybeans.

Our agronomists have placed a tremendous amount of seed in the country to get side by side comparisons. It is imperative that we get these planted and harvested, not only to get agronomic information, but to see how these hybrids react and yield on your farm. Your cooperation in getting this done is greatly appreciated.

While we are on this subject, how many of you have been to one of Croplan Genetics Answer Plots? If you have not, I have good news. Ag Valley is fortunate enough to have two new locations in our sales area. One is north of Holdrege and the other one is just south of North Platte. Our sales team goes to these three times during the growing season to learn about genetic backgrounds and how they influence how a hybrid or variety responds to certain soils and conditions. They also demonstrate management practices in handling diseases and insects from crop rotation to seed treatments to enhance your profitability. Ag Valley will sponsor a trip to one of these sites in August for our growers to attend and see for yourself how much information you can take home with you. This is not a plot to promote products, it's designed to help growers learn new production practices and become more profitable.

The best thing about having these locations so close to us, is that if you want to grab your agronomist and go look at these plots during the season we can do this. Hope to see you all at one of the Answer Plots in August. Have an excellent and safe planting season.



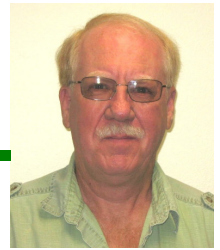
Conveniently located  
to serve our producers

## Join us for the 2009 Ag Valley Coop Annual Meeting

**Monday, June 1st @ 6:30 pm in Maywood at the Community Hall**  
**Tuesday, June 2nd @ Noon in Norton at the American Legion Building**  
**Tuesday, June 2nd @ 6:30 pm in Arapahoe at the Ella Missing Center**

**The entertainment will be: Gretchen Bergquist, Miss Nebraska 2008.**  
(performing at Maywood and Arapahoe)

**Please RSVP to Joy by May 27th at 1-800-228-1352.**



playing it safe

Safety and health tips for your work, home and life—brought to you by the insurance and safety specialists at Ag States Group.

## Don't Slip Up and Trip Up on the Farm

### *Precautions for agricultural workers*

According to the Occupational Safety and Health Administration (OSHA), falls are the most common accident suffered by agricultural workers. Many times, these accidents result in major injuries or death because falls from as little as 12 feet can be fatal.

To avoid trip and fall hazards, consider these safety recommendations:

- Wear shoes and boots with slip-resistant soles and heels.
- Remove tools or other items that may cause a tripping hazard from equipment.
- Keep platforms, foot-plates and steps clear of mud, snow, manure and other debris.
- Do not get out of equipment, such as a tractor, before it has completely stopped and the brakes are set. Then, step down using the handholds or rails. Never jump off a tractor (moving or not), except if it comes in contact with energized power lines.

- Examine ladders to ensure that they are in good working condition before each use. Never paint wooden ladders because this can disguise flaws or weak areas in the wood.
- Use the "four-to-one" rule when using straight ladders. This means that you should set up the ladder base one foot from a wall or building for each four feet of height.
- Other considerations for ladders:
  - Lock a leg around the ladder if you need to use both hands.
  - Do not overreach.
  - Keep your belt buckle between the ladder rungs while working.
  - Do not place one foot on the ladder and the other on an adjacent surface or object. This will not allow you to remain secure.
  - Never jump off a ladder.
  - Avoid using a ladder in wet or icy conditions.
- Avoid power lines when using ladders, especially on metal ones.
- Do not work on a ladder when it is windy, stormy or if you are tired.
- Clean dust and debris away from steps and platforms.
- Keep entrances to buildings clear and make sure that steps are free of mud, ice and snow build-up.
- Allow for extra time to feed livestock and hitch equipment in muddy or wet conditions.



### Get a leg up on your duties!

Many accidents occur when workers are in a hurry to get things done. To avoid trip and fall injuries because you are in a rush, perform preventative maintenance tasks on equipment during the off-season. This will allow you to slow down and finish tasks without the risk of injury.