

# SFG Update

Smith Fertilizer & Grain

April 13th, 2018

**Mark White**

**Knoxville Location Manager**



One advantage to living in Iowa is we get to enjoy all 4 of the seasons. This year we are getting to enjoy the winter season a bit longer than we want to. Hopefully by the time you read this we are enjoying better temperatures and the planting season is within sight. Snow and mud kept us out of the fields most of February into March, so 3 weeks ago we were looking at a large amount of work to do. Fortunately field conditions improved and we have spread a lot of fertilizer and super grow the past 2 or 3 weeks. We can now see some light at the end of the tunnel. Which is good since we will be spraying burn down and pre's real soon. As always the hours we spend preparing our equipment and training our employees has paid off and we have covered several thousand acres in a

very short time. This commitment will carry into the spray season. Along with the 3 late models we carried into the season, we have added 2 new John Deere sprayers, which will give us a fleet that will be unmatched in our trade area. We have also upgraded our tending equipment, so we will be able to cover the acres in a timely fashion. Our sales force is making sure everyone's agronomy plans are updated so when you give us the go ahead we can get your products applied right away. We are also in the process of upgrading our technology capabilities. As reported by Charles Smith last month we have hired a recent college grad, Ryan Bruntjen to help lead us into the next wave of high tech. The economic times we are in demands that we learn to farm smarter and maximize our inputs. It's amazing to me how much computer power you can hold in your hand today compared to a room size computer 25 years ago. I think for my generation, this compares to the advent of rural electricity years ago. It's all very exciting, so I encourage everyone to ask what this

can do for you in the future. The grain markets have finally woke up after about an 8 month nap. The past 2 weeks we have seen wide swings especially in the bean market. The March planting intention report showed less corn and bean acres being planted this year. What it didn't tell us is what is going to happen to the 1.5 million acres that was missing in this report. The report set the stage for a couple big days of up markets. Then President Trump started announcing tariffs against some of the products imported from China. This caused a big sell off as China reciprocated with their own tariffs. The markets finally stabilized once it was announced that these tariffs wouldn't happen for 6 months, which we hope allows time for our countries to come to some smart agreements. We imported 500 Billion dollars worth of products from China in 2017 while we exported 140 million dollars worth to them. It is easy to see that this trade deficit has grown out of hand and needs addressed.

## Kyle Smith Albia Location Manager



It finally looks like the forecast is starting to make a turn towards some much needed Spring weather! This time last year we were already mowing the yard, yet today we still have snow on the ground! With spring of course, comes baby chicks! We currently are carrying Americanas, Rhode Island Reds, Rainbows, and California White chickens as well as White and Bronze turkeys. We receive new orders every two weeks, so if there are specific breeds you are inter-

ested in, just let us know. Ducks, Pheasants and Geese are also available.

Around the elevator we continue to move grain as needed to keep the grain in good condition along with picking up grain in the country. Contracts are still available for Kent and Hubbard creep feed for those still needing to book additional tons. Please stop in or call us @ 641-932-2100 for more information!



## Max Smith General Manager



Every once in a while our government makes a silly mistake (imagine that). In December, Congress after listening to the "advice" from "someone" having no concept of how the 199A bill language would be interpreted passed an update to this bill. It took less than 10 days for it to cause a huge stir. The bill allowed some large farmers to not pay taxes in their farming operation. There was a "catch"- you could only market your grain through a "co-op" grain buying facility. Companies like SFG, Cargill, and ADM were not allowed to pass the same deduction on to farmers by IRS standards. There is an old saying that

"when it seems too good to be true, it probably is"- as was in this case. The Republican Senators leading the charge on this were embarrassed by members from both parties for pushing legislation that manipulated the system, hurt the market place, and disrupted the current tax system. In January at a local town hall meeting, Senator Chuck Grassley had enough common sense to publicly announce this was a huge mistake and pledged to "fix" it. With the support of both parties, he did just that! Republicans had to eat a little crow in the process but Grassley took the "high ground" and did the right thing. At least a few of our representatives in Congress have some common sense! A negative impact resulting from this updated bill was that one of Iowa's largest co-ops lobbied its customers to keep the bill intact as written. It saddens me that an Iowa business lost sight of what is good for all Iowans. Some businesses have grown into monopolies losing sight of the purpose of laws written allowing them to compete against Independents. The majority of the smaller co-ops in our trade area understood that Congress had made a huge mis-

take creating the "grain glitch" and supported reversal of the updated 199A bill. I am proud that in the majority of the counties in the SFG trade area, the co-ops and Independents have mutual respect for each other and enjoy the competition of a level playing field. Just to be clear - any "hype" you may have heard from the "big co-ops" not to trade with SFG or Cargill has been repealed. The new 199A law passed in late December, 2017, has been repealed and reverted back almost 100% to the previously written law. Every grain buying business (co-ops and Independents) are on the same playing field and all farming operations will be treated the same for the entire 2018 tax and marketing year. Thank you, Chuck Grassley for keeping your word to "fix" legislation that was wrongly inserted in the December 2017 tax bill. Please refer to Mark White at our Knoxville office with any detailed questions you might have.

Max Smith  
SFG General Manager

**Jason Smith**  
**Centerville Location Manager**



Spring finally is here, so the calendar says. I'm not sure what to think about these near record lows we've been having. Dry fertilizer application equipment is ready to go full speed ahead as soon as field conditions improve. With these unseasonably cool temps it has allowed us to get a head start on the few days the ground was still frozen. Anhydrous application has yet to start for the season. This year due to customer demand we will be offering custom NH<sub>3</sub> application with a low soil disturbance toolbar as well as conventional toolbar application. This will allow the grower to manage their crop residue in whichever way is best for their operation. Chemical application will be starting soon enough.

The sprayers have been checked over from top to bottom. The flotation tires are on, nozzles have been checked, and the calibration has been checked and double checked. Even the computer software has been updated. Our commitment to quality application services allows you the flexibility to have SFG apply any and all crop inputs that your farm needs to have it done professionally and in a timely manner. All this will help you manage this growing season for success while taking some of the stress off of you, the grower. Please give us a call @ 641- 856-2828 with any questions you may have. Our goal at SFG is to give you the best service possible. Hope everyone has a safe spring!

**Ryan Brennecke**  
**Pleasantville Location Manager**



Spring is finally here in Central Iowa; however, it doesn't feel like it with the recent dusting of snow we got in Pleasantville. Dry fertilizer and anhydrous applications have been going on for about a week, but the snow will put a stop to it for a few days. This will give us plenty of time to get the equipment cleaned up from the previous busy week. Make sure to stop in and talk with either Greg or myself about your fertilizer needs so we can get them applied. Seed is in the shed and we will start delivering it in the coming weeks.

The deicing business has finally slowed down, we are still sending out a few loads to other parts of the nation that are continuing to get snow. Soon we will be cleaning out the mixing plant and changing over to chemical spraying. Eventually, planters will be rolling in the field. Be sure to let us know when you plant your fields, so that we can get it on the spraying schedule. If you have any questions, give us a call (515) 848-5000.

Happy  
 Spring

 The text "Happy Spring" is displayed in a stylized font. "Happy" is in purple and "Spring" is in red with a hand-drawn, sketchy texture. To the right of the text are three colorful fireworks (red, blue, and white) and a blue snowflake-like graphic. Below the text is a decorative green border with a white scalloped edge.

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