

SFG Update

Smith Fertilizer & Grain

December 14, 2012

Max Smith General Manager



Where is the snow at? We just went through a fantastic fall season. Fertilizer application has been brisk with record amounts of fall N_h3 and lime applications in our area. We did not use one log chain or cable all fall to pull someone out of a mud hole! From the good to the bad, 2012 has become a year we all will never forget. I am amazed at the conservation work being done this fall. Our forefathers would be proud of the way we take conservation seriously. With the equipment we have today we have cleared many fence rows and ditches. This fall I

have seen several new waterways shaped and reseeded to help hold erosion in wetter times. Weather cycles will return as always. I encourage all of you to clean your fence rows out while brush is small and keep brush from overtaking all the terraces built this past generation.

Livestock farmers have welcomed the warm fall to overcome the shortage of pasture and hay from the summer drought. The warm fall has stretched our supplies to our advantage for at least part of the winter. Albia is going to relook at business plans for livestock producers in the coming months to assess how to stretch your dollars on feed products this winter. We have challenges ahead of us. We want to be proactive with feed products to keep you profitable.

Coming in to 2013 weather is the most talked about. We are unusually dry and have used up our water table this past year. Now we wait to see when the dry cycle will change. Once the ground freezes it will be difficult for the

ground to absorb moisture. The Mississippi River is the lowest in history that I can remember. I am frustrated that the river people aren't more active with dredging equipment and making deep channels to get barges up and down the river. We may not like the dry times but we need to be proactive with dredging. This will bite us big time in future years if we don't take advantage of low river levels to fix problems. We need to put more farmers on the committees to get things done.

We continue working on the Knoxville office to get the remodeling finished and if all goes well, it should be done by Christmas. We hope to make better use of this addition to plan and forecast how to better serve our customers. This winter stop in and see the changes.

I recently had a birthday with a "0" in it. My wife made it a special day! Last week I slipped and fell at Albia bang-

ing my head a little. It was a reminder that we "all" have to be careful and prepare for the "unexpected". I encourage everyone to review your own safety program. Do everything you can to make things safe for your family and employees (and me when I come visit, Ha!).

We have open houses coming soon to offer prepay opportunities for our customers. Most of all a chance to tell you we appreciate your business and the trust you have in us to do the best work we can to keep you profitable. We sincerely appreciate your business this past year.

All of us at SFG wish you the best in the upcoming holidays. I encourage you and your families to get together to celebrate the true meaning of Christmas.

Sincerely,

Max Smith
SFG General Manager

Mark White Knoxville Location



The past three weeks grain markets have shown an upward trend leading some to think we have put in the seasonal lows. Now we search for bullish news to move higher. There is plenty of bearish news out there right now as the world economy remains very fragile. We can't seem to solve our domestic problems and the

threat of a fiscal cliff gets closer every day. I think the focus will turn to us and our approach to the financial mess we are in. If Washington can come to an agreement and we avoid all the bad things we have been promised, then I think the world situation may improve also. The United State's well being is so important to the world economy that we must be a leader in taking care of our business. I think we have been too lax in this lately and it's time we fix things. On the bullish side the world weather is still not back to normal. South America is too wet and too dry. It appears the major growing areas of our country will go into winter with a large moisture deficit. The winter wheat crop is in the poorest condition it's ever been

since crop ratings. Most of the corn belt needs 10 to 15 inches of rain to restore the subsoil moisture. This may happen next spring prior to or during planting and that won't do us any good either. So what's a grain producer to do with old or new crop? I remain optimistic that the old crop will continue to rally into the new year. It seems most of the grain that needed to be traded for cash has been sold and it will take higher prices to open the bin doors. New crop is a tougher call. If the weather continues on the poor side we should see some strength going into late winter. However a large South American crop could throttle prices. As you can see it's easy to say a lot without telling you what you want to hear. I do think producers need

some type of pricing strategy for their new crop. Many feel they priced early the last two years. We can't let that prevent us from pricing some crop at profitable levels. We are at that level now on new crop futures.

We are selling some equipment on a Del Peterson internet auction December 18th. Some of this is excess equipment we have used and some is equipment we took in to settle a bill. We have semi trucks, tankers, livestock trailers, a pickup and other. To view these items go to delpeterson.com and click on the December 18th sale. Our items are number 72 thru 92. Most of this equipment has been thru our shop and sells ready to work. If you have any questions give me a call at 641-203-3602.

Natasha Sadofsky
Albia Location Manager



I hate to sound like a broken record, but cooler temperatures are in the forecast. I hope everyone has everything they need to get their livestock through the winter. You will see an increase in feed and hay consumption since the animals will need more energy to maintain their body temperature.

If you're increasing the amount of grain in your rations, make sure to increase the amount gradually to minimize any potential health issues this may cause. Having adequate water available to your animals during the colder months is equally important as having enough hay available to them. SFG, has a variety of stock tank heaters and waterers available so you don't have to chop ice every morning!

Some of your family members may have had weigh-ins recently for their show stock for 4-H or FFA projects. At SFG, we offer special financing for your 4-H and FFA feed needs. We will finance feed purchased for 4-H and FFA livestock projects at 0% interest for the following

terms: Beef: December 1, 2012 through August 15, 2013; Swine & Sheep: March 1, 2013 through August 15, 2013. Students are eligible to receive the 5% cash discount with this program. We offer a full line of Kent and Hubbard show feeds along with the ability to create custom rations to fit your needs. Please see an SFG representative for more details on the feed financing program or placing a feed order.

We have some upcoming events at each of our SFG locations. The Albia location will be hosting an Agronomy Prepayment event on December 18th from 3-6 p.m. and a Hubbard Crystalyx meeting from 6-8 p.m. We look forward to seeing you at the upcoming events!

Mark Young
Senior Agronomy Manager



As planning continues for the 2013 crop we need to make sure all of our inputs have been ordered. January 18th and 19th, SFG will have open houses at all four loca-

tions. These open houses are an opportunity to receive the best price for spring. Knowing you have been able to check another item needed to grow that bumper crop off your list makes winter flow more smoothly.

At SFG we offer a full line of high performance agricultural inputs. Our line of seed, plant nutritionals, crop protection products, and fertilizers are second to none. We only offer products that meet the highest quality standards. We are driven that our relationship with you, our valued customer, does not end with the purchase of our products. We are there from the plan-

ning stage through the growing season, to provide a high level of service and knowledge that has come to be expected from SFG.

The combination of high performance, high quality, competitively priced products, with the knowledge and service from the SFG team that supports them, makes SFG a great value for any operation. Contact your SFG agronomist during our open houses to discuss how your operation can profit from the performance, quality, and value of products offered by SFG.



We wish you a safe and Happy Holiday season from all
of us at Smith Fertilizer & Grain!



Greg Willer
Knoxville Agronomy Manager



Mother Nature dealt farmers a dry hand for their 2012 crops and it there is a good chance that the same hand could be dealt again. Now is the time to start managing fertilization needs for the 2013 crop.

Soil testing is the first step that needs to be taken to determine what is left in the soil. During a drought the crops will not uptake all of the nutrients that were applied. A pre-plant soil test is a good way to determine how much fertilizer remained in the soil over the winter. The "weather experts" are predicting a dry winter so there will be some nitrogen available for the 2013 crop. P&K were also affected by the lower yields that we saw in 2012. If we have a dry winter the P&K can be credited towards the 2013 crop, but soil testing will still be a must.

The drought also affected the soil's pH levels. Dry soils will usually have a lower

pH level and lime will need to be applied. Since lime takes awhile to react in the soil, it is important to apply lime to the fields directly after harvest. Lime will react in the soil faster if the lime is worked into the ground by a tillage system.

Soil testing is a must following a drought. Soil tests help us determine how much fertilizer is available for the next crop and what needs added to the soil. If this winter is mild, it will give us ample time to take soil tests to insure your soil is up to the task of producing the 2013 crop.

Corey Garrington Agronomy Sales



Here is a quick overview of Daryl Doty's session covering new technology in the Monsanto pipeline for soybeans. The session was one of many put on by SFG at the Marion County Extension Office in Knoxville on December 6th.

Monsanto's new Roundup Ready Xtend Crop System is designed to provide farmers with more consistent, flexible control on weeds. Especially on tough to manage and glyphosate resistant weeds to help you maximize your crops yield potential. Roundup Xtend is a Dicamba and Glyphosate premix that will enable you to use it before planting or as an over the top option during the growing season, but only with Roundup Ready Xtend Crops. The addition of Dicamba will help to control broadleaf and glyphosate resistant weeds while giving you planting flexibility as well as a window for post emergence application.

The other part of the Roundup Ready Xtend Crop System is Dicamba tolerant

soybeans. The Dicamba tolerant trait would be stacked in the Roundup Ready 2 Yield Soybeans. Monsanto Vice President of Biotechnology, Steve Padgette is quoted as saying, "Dicamba-tolerant soybeans are a component of a long term weed management program that would allow us to use our biotech packages in combination with Roundup and other herbicides to provide affordable and effective weed control for farmers". He also went on to talk about how commercialization of the stacked trait soybeans could be two to three years away.

I would like to thank everyone for attending our Winter Conference. If you were unable to attend and would like any information on sessions covered please contact your SFG agronomy salesman.

SFG Pre-Pay Open Houses

December 18: Pleasantville	10:30 a.m - 2:00 p.m.	Lunch Served
December 18: Albia	3:00 p.m. - 6:00 p.m.	Refreshments Served
December 19: Knoxville	8:00 a.m. - 10:00 a.m.	Breakfast Served
December 19: Centerville	10:30 a.m. - 2:00 p.m.	Lunch Served

Please join us for special Financing, Pricing, and Chemical Program opportunities.

Brad Kaufman Agronomy Sales



I recently attended a weed resistance program provided by Iowa State Extension. There were several eye opening things discussed, but the one topic that has stuck in my mind was a question they asked. Do we think of our herbicide programs as a short term expense or a long term investment? I have been thinking about that question and for myself I have been looking at herbicide program more as the short term expense. However, with some of the topics we need to retrain our way of thinking to the long term investment.

Seed companies are getting ready to release their 2,4D and dicamba bean lines in the near future, but if we treat them the same way we did Roundup how long will the effectiveness of those chemistries last? Why do I ask that question? Nebraska is already dealing with water hemp that is resistant to 2,4D and of the population that is resistant to 2,4D it is also showing cross resistance to dicamba products!

Closer to home we are dealing with problems of our own. In 2011, ISU extension agents took samples of water hemp plants and have been growing and testing for Roundup resistance. They sampled plants in 225 different fields across the state and are 75% of the way through their testing. Of the samples tested 30% are resistant to a 4X rate of Roundup. What's even more disturbing than that is 5% of the 30% is resistant to 5 modes of action. They are atrazine, ALS (Pursuit), PPO (Cobra), Glyphosate, and HPPD (Callisto).

So how do we fight a seemingly losing battle? We need to start using a full rate of pre emergent chemical and with post application don't rely on Roundup alone, tank mix a Status or product similar with it. Another suggestion offered was to combine herbicides, especially in beans. For example, use a product like Sonic and tank mix some Prowl or Treflan with the Sonic. In my opinion, that is a good program, especially in beans, because that seems to be where the majority of the problems are. My suggestion is to use 3 pints of Matador, which will give you three modes of action, and add Prowl to give a longer window.

Short term expense or long term investment? If we don't take a serious look at that question and make some real changes to our herbicide programs we will lose the war against weeds. We are already losing the battle.