

# SFG Update

Smith Fertilizer & Grain

January 11, 2012

## Max Smith General Manager



The New Year of 2012 has officially made its debut. Just getting used to writing it takes practice. We are again experiencing a year of change. As I write this our planned week of work includes 514 acres of custom application  $NH_3$  and 1488 ton of ag lime. In my history those are two jobs we have never done in the same week in January. The drought we witnessed last year in the Southern United States is moving further to the North than it has for a long time. For now we will take it. Every nice day we receive in the winter is just one more day

closer to the summer we all enjoy.

Grain movement has been brisk. We have experienced a good 65 cent rally in corn the past two weeks. Many of you have locked in your 2012 crop needs with the good prices we have experienced in recent months. No one knows what the weather will do in the coming weeks but we can't deny that prices are pretty good today. Whenever it does start to rain there is an excellent chance the markets will recede quite a bit from today's levels. I admire the conservation work that has been done this past year. In some cases it needed done as trees were growing up in terraces and the waterways needed reshaped. Congratulations to all who have done so much work to conserve our greatest asset, our topsoil that is so precious.

We have had several meetings and in house training to prepare our staff for this spring's work load. Personnel changes at SFG

include Casey Cortum accepting a district management position with Syngenta. We wish him well in his new career. Gary Sterling has announced his retirement effective March 1<sup>st</sup>. He and his wife plan to travel and enjoy their grandchildren to the fullest. As with any change in life we have to adapt to new changes within our company and will realign our staff this spring to adapt to these changes. More on that in months to come.

This winter we have added a dry fertilizer & lime spreader and a post sprayer to our fleet to handle the increased work in our business. This will allow us to split up the work load between our locations and continue to give timely service to all. We are looking for one post chemical spray operator in Albia or Centerville. If you know of someone with an interest in this opportunity please let us know. Coming in to spring our equipment is the best we have ever assembled.

We will keep you posted on the season's progress as spring gets closer.

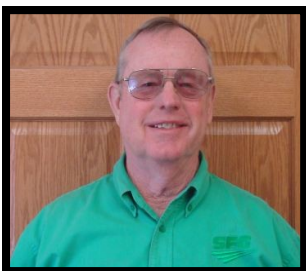
With such an open winter we are getting a chance to get work done we normally would not get to do. We are going through our accounting system and making minor changes to help us better do our jobs. If you have questions about how we bill or the understanding of it please let us know. We want to make your account management with us a simple task. Please call us at any time for clarification.

I plan to take off some time this winter to ride my snowmobile. This will require some traveling around the country to find snow to ride on! Hope everyone gets to enjoy this winter as well. Thank you for this past week's prepay and your confidence is us to do your work for 2012. We will continue to earn the trust you have given us.

Max Smith  
General Manager

For more articles and new market information please visit our website at [www.sfgiowa.com](http://www.sfgiowa.com).

## Gary Sterling Albia Location Manager



Since my last blog, the grain market has reached a plateau and started downward. The market analyst said the top is in and most foreign countries were having better than aver-

age yields. South America has beans left over from last year and Ukraine could ship grain to China for \$0.50 a bushel cheaper than the United States. Having said that, the drought season has now hit South America. Crops are suffering in Argentina which could change the whole supply and demand picture. Analysts are now saying the bottom is in, and any glitch with the weather here or any where else could drive the market up.

For those of you growers wanting to price some of the new crop production, SFG offers a variety of options. Fall basis

levels are narrower than normal so a regular grain contract that locks in the price of a set amount of grain may be attractive to most producers. We also offer a hedge to arrive contract that establishes a price on the board of trade for fall delivery and then you set the basis when you feel the time is right. The risk is that the basis may widen if a large crop is planted and takes off. A third option is a minimum price contract. You contract the grain to SFG for fall delivery with a set price and buy a call option that allows you to capture a better price if the markets should take

off. You can buy this call from the broker of your choice, or we can help you set up an account with our broker. You will know from the start what the option will cost so this number subtracted from the contracted price gives you your minimum price. If you are interested in discussing any crop pricing you can contact: Mark White at 641-828-8500 or myself at 641-932-2100.

### January Specials:

- 10% off ALL bird seed.
- \$2.00 off 250 lb Crystalyx tubs

## Mark Young Agronomy Manager



In SC Iowa, building soil phosphorus (P) and potassium (K) levels typically becomes an issue on farms that have had limited nutrient application and when doing site specific management. Intensive soil sampling often reveals islands of low P and or K in otherwise well managed fields. Most soil fertility recommendations suggest a slow buildup of those low fertility areas. Financial analysis indicates that if it is profitable to build up soil P and K levels, it is most profitable to do it as quickly as possible.

Phosphorus and potassium fertilizers are an investment in long term soil fertility. In general only a portion of this year's P and K application is used by this year's

crop. A large part goes to increase overall soil fertility. In economic terms, the cost of building soil fertility is the potential gain on investment not made because funds were tied up in P and K in the soil. If an investment is profitable quickly, it provides additional income which can be reinvested to generate even more profit. For Smith Fertilizer & Grain customers this means that a mismanaged field or a low fertility island should be brought up to maximum economic yield as quickly as possible given the constraints of financing and soil chemistry.

Most Extension fertility recommendations seem to have been developed in the early 20<sup>th</sup> century when farms were small and the agricultural credit system was in its infancy and cash flow was a key constraint to building up soil fertility. The current situation today is much different. Most farmers can obtain credit for profitable investments. Risk is still important, but government farm programs, availability of crop insurance, contracting, hedging and options provide you with some tools to manage that risk. Many farms are still on one year leases, but many of these are repeatedly renewed and landlords are increasingly aware of the importance of soil

fertility as a way to make their investment profitable. It is time to re-examine those slow P and K buildup recommendations that were designed to deal with the problems of an earlier period of agricultural history.

We have determined several situations where a rapid buildup program is the most economical approach when initial soil tests show an improvement is needed.

1. Farmers who take over run down farms and want to get them into full potential production as quickly as possible.
2. A crop share landlord who acquires a mismanaged farm and wants to get into full production as quickly as possible should work to adopt a rapid buildup program.
3. A cash rent landlord who pays for the buildup of P and K fertilizer and purchases land with low soil tests so that higher cash rents can be justified.
4. Most important the producers who use intensive soil sampling and identify low fertility islands in otherwise higher fields. If the islands are a small part of the farm area, the cash flow effects of the extra fertilizer application will be correspondingly small.

Have an SFG Agronomist assist with your fertility plans. Nothing is worth doing unless it is worth doing right.

## Brad Kaufman Agronomy Sales



Hopefully everyone had a wonderful holiday season. As we wrap up the year most of the seed corn and seed beans have been purchased, a majority of the anhydrous and much of the dry fertilizer has been applied. That leaves the chemicals to wrap up for the next growing season. We have several good chemical options for corn, beans, and weeds. Especially for water hemp which has become increasingly harder to kill with Roundup. A program I like to run on corn is 30 pounds of 28%, with 2.25 pints of Guardsman, and a pint of 2 4 D or

Roundup, if there is grass pressure. The second pass would include Roundup with 2.5 ounces of Status and 1-2 gallons of N-Pact. This is a good foundation program to run on every farm. The 28% gives the corn plant a good start and helps build the plant's root system to get it to the anhydrous much quicker. A half rate of Guardsman followed by the Roundup program applied at early post. I like to include Status in the second pass to help the Roundup take down the troublesome broadleaves like water hemp, morning glories, etc. Finally while we are out there, add a gallon of N-Pact in the tank. N-Pact is a foliar feeding nitrogen that we used widely last season and saw good results. SFG saw a 4-8 bushel yield increase in corn over the untreated in the same field. The one pass programs have not worked as well as we would like to see. Last year a majority of growers who used a planned one pass program ended up spraying everything a second time.

A chemical program for beans would be 1 quart of Matador with a .5 pint of 2 4 D followed by Roundup and Awaken. Then

at R3, apply Headline to prolong the life of the bean plant. Matador is a new burn down chemical with three different modes of action. It contains Dual II Magnum, Sencor, and Pursuit so it is strictly a pre-emergence chemical. If Mother Nature does not cooperate, we still have Extreme that we can apply post emergence. The second pass uses Roundup and Awaken. Awaken is a foliar for beans that has been used many years at SFG. Each year the results have been an additional 5 bushel increase in beans. Finally, an application of Headline at R3 seems to be the thing to do. This year was a fairly low disease pressure year and we saw an additional 7-10 bushel increase in beans. Headline keeps the beans healthier for a longer amount of time. In turn, this helps them continue to fill out better with the late season rains. If bought before March 15<sup>th</sup>, you will receive a rebate check. These are two very good chemical programs. Remember weeds **will** zap yields from both corn and soybeans. Starting clean and staying clean is very important. Not only to you as a grower but to us as a company. We work hard to make your operation as profitable as possible.

## Ashley Knust Feed Sales



Welcome to the New Year! 2012 has kicked off some warm, sunny, and a bit breezy weather. Though the weather has been relatively mild, it is still important to keep an eye on the cow's BCS or Body Condition Scoring. BCS is a good way to monitor your cowherd's nutritional status. Prior to calving 60-80 days is considered a

critical period in the reproductive cycle. Meaning the body condition has a large impact on reproductive performance levels. Underfeeding during this critical period can result in increased calf loss, reduced colostrum quality, and reduced milk production which leads to lower weaning weights. I would suggest aiming to have mature cows at a rating of 5 BCS (the last two or three ribs can not be seen) by calving time. For the heifers calving for their first time BCS rating of 6 which visually speaking would mean a good smooth appearance throughout. A sound feeding plan includes quality forage, adequate supplementation, and a steady supply of free-choice mineral. Smith Fertilizer & Grain carries a wide variety of Crystalyx and loose mineral to meet your operation's cow/calf needs.

This month I want to talk a little bit about

self-limiting feeds. Smith Fertilizer & Grain handles Hubbard's Regulator and Kent's Exact Beef. Self-limiting feeds limit and maintain the animal's intake. This allows the producer to utilize self-feeders. This can be a convenient and cost-effective way to feed that is ideal for operations limited on time, labor, or both. These programs provide accurate intake records to manage the feeding program. These self-limiting feeds incorporate fish oil rather than salt (which is extremely corrosive on metal feeders). The Regulator and Exact Beef are designed to be fed with ground or cracked corn at various rations depending on age and weights of cattle and desired gains. Feeders are available for rent for \$1.50 a day (30-day minimum). Give me a call if you are interested in learning more about how a self-limiting feed might work for you!

### Smith Fertilizer & Grain would like to recognize the following employees for their 5 years of service.

From left to right: Jerry Griffin (Albia), Jim Nurre (Knoxville), Gary Sterling (Albia), Buck Carlberg (Albia), and Mark Jacobs (Albia).



## Jerry Don Johnson Agronomy Sales



In 1996 Roundup Ready soybeans were introduced to the market. This technology is considered to be one of the most dramatic changes of weed management in the history of crop production. This allowed a broad spectrum of weed control, outstanding crop safety, flexibility, and simplicity in weed management.

Glyphosate was introduced in the mid 1970's. It was used primarily for burndown and perennial weed control in corn and soybeans. Such uses limited the number of applications and acres sprayed. Glyphosate was also mixed with or followed by other herbicides which increased herbicide diversity. These practices probably helped prevent glyphosate-resistant weeds. It is time we get back to using similar programs to help prevent Roundup-resistance.

One product we recommend as a pre to use on soybeans in an effort to fight Roundup-resistance is Matador. Matador has a new soybean pre-emerge chemistry that contains three different active ingredients: Metolachlor (aka Dual), Metribuzin, and Imazethapyr (aka Pursuit), to help control grass and broadleaf weeds.

MATADOR	Metolachlor (Dual)	Metribuzin	Imazethapyr (Pursuit)
1 qt	1 pt	3 oz	2 oz
2 qts	2 pts	6 oz	4 oz

Warrant is another product we recommend as a post treatment on soybeans to help fight Roundup-resistance. Warrant is an encapsulated acetochlor-based post emergent herbicide used over the top of soybeans. It helps control Pigweed, Nightshade, Common Lamb-quarters, Grasses, Waterhemp and other broadleaf weeds. Warrant requires a limited amount of moisture to activate. The encapsulated technology helps minimize crop response and extends control up to 40 days. Warrant must be used post emergence in soybeans from emergence to R2-R4 growth stage. The water based formulation enables post application on soybeans.

Start clean by using a burndown or tillage prior to planting. In low weed pressure apply a tank mix of Roundup with Warrant at early post emergence (V2-V4). In high weed pressure fields use a pre-emergence residual followed by a tank mix or Roundup with Warrant at early post emergence (V2-V4).