

# SFG Update

Smith Fertilizer & Grain

January 11, 2013

## Max Smith General Manager



On December 18<sup>th</sup>, 2012 we started moving into our new office addition. We still lack a few things to finish but for the most part we are in. Now the logistical task of moving and sorting 12 years of SFG records has begun as we move from one floor to the next. You would be surprised what you thought was important a few years ago is not so important now! Never the less we have been organizing our office structure to provide a professional environment for our employees and a private place to do business with our customers. I have the office to the North with the extra windows.

I love my view and the temperature on the North side of building is much more suited for my comfort. Sharon is now maintaining the South side of the office where the “sauna” is located and enjoys the 10 degree warmer office than I have today. We shared an office for 23 years so this is big change for both of us. We now email each other instead of holler at each other. We are still adjusting to the change.

On the plus side, we now have a new conference room to hold a dozen people or more for meetings, allowing us to lay out detailed business plans for all to discuss. It has always been our main goal at SFG to continue to raise the bar with customer service.

We now have a building that will last us many years. By the end of January we should have all work completed and be making plans for spring crops and livestock needs. We have made several new changes within our office structure. The new grain accountant Eric Stewart is now

located next door to Mark White who does the grain merchandising for SFG. Samantha Roff has taken over as the new office manager at Knoxville. We have assembled a new team that will work very close together to meet the needs of our valued customers. Sharon Smith will oversee the accounting as always has but is looking forward to more employees to share the work load.

Galen Kauzlarich has moved into the main office and will do his lab work for our deicing business in the basement. Corey Garrington will move in this coming week bringing all the agronomy employees into the main office. We will have 17 full time and 3 part time employees in this building. Seems like a lot of people but I don't know what we would do without them.

That being said, our winter has been very mild except for one snow storm. We are spreading lime and dry fertilizer all week as temperatures have melted the snow. We should be all

caught up by the end of the week and get back into maintenance mode. We have several small projects to complete and have laid a course to be ready by early March for field work. It appears we are in for more dry weather and volatile markets in the weeks and months ahead. It seems like the wind just needs to blow a little and the markets react pretty fast. I remember in 1976 we had a decent crop but it was very dry. In 1977 with no subsoil moisture (much like today) crops went in really fast and in good shape. They emerged alright but it didn't rain for weeks after. I hope this doesn't happen again but the stage is set for it. The main difference today is that hybrids are so much better now. Time will tell, but I suggest saving a few bushels for the summer market just in case things do stay dry. We will talk more next summer about what we should have done! Thanks for your confidence in us. We are preparing to make you profitable in 2013.

Max Smith  
General Manager

## Mark White Knoxville Location



I'm writing this article on Monday and we have an important USDA report coming out Friday. This puts me at a disadvantage to the timing of either the newsletter or the report. That being said I will spend more time writing what we do know instead of trying to predict what the report will say. Corn exports have been terrible since harvest finished. We were lead to believe we had the only supply of corn in

the world and everyone would be after it. Now it appears Brazil had more in storage than thought and is willing to let it go below our price. There seems to be adequate feed wheat in the world today and the price is competing well with corn. Ethanol production is dragging as the price of oil retreats. You may have noticed the price of E-85 is only about 11 cents below the super unleaded price, that's not enough of an advantage to replace the mileage difference. Corn does have 2 bullish possibilities. The harvested acreage report Friday may reduce the final production number for 2012; however the trade is expecting this to happen. The drought of 2012 has not broken. 65 percent of the United States growing area is considered to be in a moderate to severe

drought. This includes our entire trade area. Many producers felt locked in a catch 22 where they have the need to lock in some new crop sales but are concerned they may have trouble producing the crop and the memory of the past 2 years remind them they may have priced too soon. We still recommend locking some new crop prices in to help cover production costs using some winter and early spring rallies to do this. I have preached in the past that you need to know your cost of production in order to know if you are making profitable sales. Some of our southern customers remind me they have had short crops the past 3 years so their cost of production per bushel turns out to be very high. In light of this we suggest you sell enough new crop to cover your input costs thereby protect-

ing your investment. Carrying crop revenue insurance will help tie all of this together and makes for a more comfortable lender.

The bean market retreat has been more puzzling than corn. China caused some of this by cancelling several shipments of US beans in favor of lower priced South American beans. Better South American weather in the past month has given the Chinese confidence that Brazil and Argentina will be able to supply beans. They also know they can come back to us to fill their needs. Some possible bright spots for beans is the continuing drought, possible lower DDG production which would spur meal sales, and the normal slow loading in South America could bring sales back to the US. As with corn, we can't sit around and worry about what we could have or should have done.

### **Natasha Sadofsky** **Albia Location Manager**



As some of you may know, we've hired a feed and agronomy sales person in Albia. Please join me in welcoming Mike Erwin to the SFG Albia team. If you're needing to have someone to come out to your operation to talk with you about any feed or

agronomy questions you may have, please don't hesitate to give Mike a call.

Many producers are finding their forages nutritionally deficient as we get into the colder winter months. If you're finding this to be the case at your farm, here at SFG we carry a full line of Hubbard's Crystalyx barrels and a selection of Kent's Energilass tubs. By using either the Crystalyx barrels or the Energilass tubs as a protein supplement you can increase your livestock's intake of forage, decrease the amount of grain fed, and increase the utilization of forage. If you are interested in learning more or have any questions about using either of these products as a protein

supplement, please call an SFG representative for more details.

We're still offering special financing on 4H and FFA feed needs. We will finance feed purchased for 4H 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 the 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.

### **Mark Young** **Senior Agronomy Manager**



The 4R nutrient stewardship concept has been discussed in earlier articles, but today I want to touch on fertilizer source the first step in 4R nutrient stewardship.

1. Supply nutrients in plant available forms. Fertilizers must be available right away or readily converted to

compounds best used by the target crop.

2. Suit soil physical and chemical properties. Do not surface apply urea on high pH soils, avoid nitrate application on flooded soils, etc.

3. Recognize interactions between nutrient elements and sources. Examples include the phosphorus zinc interaction, nitrogen increasing phosphorus availability, fertilizer complementing manure, etc.

4. Recognize blend compatibility. Certain combinations of fertilizers attract moisture when mixed, limiting uniformity of application of the blended material; granule size should be similar to avoid product segregation, etc.

5. Recognize crop sensitivities to associated fertilizers. Most nutrients have an accompanying ion that may be beneficial, neutral or detrimental to some crops. Example, potassium chloride is beneficial to corn but can be detrimental to the quality of some fruits and vegetables.

Corn is resilient but, like growing any crop, it needs the proper balance of soil nutrients in order to grow well. Ensure that you give your corn the right balance by getting the kind of nutrients to it. Have your SFG agronomist show you that growing corn like any other crop is a science and if you don't follow the science, you won't grow anything, period.

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

### **Greg Willer** **Knoxville Agronomy Manager**



Many of you are planning for this spring's planting season. There are many things to

consider before the crop is planted. SFG has an experienced and qualified staff that can help you plan for your 2013 crop. Having an agronomy plan constructed for you by a SFG agronomy salesman will help maximize what your crop can do for you this coming year. In your agronomy plan there will be maps of each of the fields with important details pertaining to those fields. There will also be a history of what crops were planted in the past and what fertilizers and chemicals were used. We use the maps to make sure we get the correct product and amount applied to the right field. We also

use the agronomy plans to select the right seed hybrid to the right field. It is very important that the agronomy plan be complete and very detailed. If you ever make a change to one of your fields let your agronomy salesman know so your plan can be updated. When a little bit of information is missing, the agronomy staff may not get a complete assessment of all of your needs. Please feel free to contact your local agronomy salesman if you would like to go over your agronomy plan or for any of your agronomy needs.

### Corey Garrington Agronomy Sales



Early season weed control is crucial in our attempt to meet or exceed corn and soybean yield potential. In the past we have had a lot of discussion about apply-

ing residual chemicals at either pre-plant or pre-emergence time frames in order to help with the growing number of glyphosate resistant weeds. With crops being planted earlier and earlier, we need pre-applied chemicals to last longer than they are capable of. Here is a quote from University of Missouri weed scientist Kevin Bradley, "Because there are no herbicides that last all season, parts of the Corn Belt infested with resistant waterhemp may have to resort to an approach called overlapping residuals."

In order to define overlapping residuals I'll give you a scenario. Overlapping residual is applying a pre-herbicide at planting, then

following up with a post residual herbicide around 21 days later to suppress later emerging waterhemp or other glyphosate resistant weeds. Some years the weather seems to make post spraying a challenge, so applying a residual with the post spray gives us the opportunity to spray a little earlier if weather conditions are ideal.

There are some challenges with corn height and some growth stage restrictions that need to be checked. Residual herbicides are imperative for not only meeting maximum yield potential but also maximum weed control. If you would like more information about "overlapping residuals" please contact your SFG salesman.

### Mike Erwin Agronomy Sales



My name is Mike Erwin and I'm the new Agronomy / Feed sales representative for

SFG's Albia location. I'm looking forward to sitting down with each of you and learning about your operations to see how we can help you out the best. I enjoy helping farmers come up with solutions.

I grew up on a farm around New Virginia, where we raised cattle, hogs, crops, and hay. During high school I played football and was involved in FFA and 4-H. After high school I attended South Dakota State University where I received an Agricultural Journalism Degree with an Animal Science Minor. My past career experiences included working with farmers on manure application to their land and helping land

owners put conservation practices on their farms. My family consists of my wife Darla, daughter Delanie (6 years old), and son Gus (2 years old). We currently live on an acreage east of New Virginia near Highway 69, but we are looking to buy an acreage or small farm in Monroe County. We have a small cow herd that consists of Shorthorn plus and Lim-Flex genetics. The kids also have a pony and a dog. We enjoy developing food plots for deer and taking four wheeler rides to scout for deer. If you have any questions or just want to sit down and get to know each other please give me a call at 641-218-4232.

### Brad Kaufman Agronomy Sales



As the calendar has moved into 2013 we all probably made at least one New Years resolution to better ourselves, but what could we do in 2013 to make our operations more profitable? Three things come to my mind right away; soil sample, don't forget about beans, and don't rely as heavily on Roundup as we have in the past.

Many of you have adopted grid sampling, but there are a few growers that still have not for one reason or another. I believe every grower would benefit from investing in a grid sample because there is just so

much variability in every field. Just remember when we were harvesting many of you said the yield monitor hit the highest we have ever seen and saw the lowest we ever saw, within a couple hundred yards. I would bet the ground where it hit the lowest we have ever seen was missing something; Inadequate Potash levels or pH's not quite right.

We spend a lot of time trying to get high yielding corn and we know management strategies we can do to push our corn yields, but at the same time we forget about beans. So how can we increase yields in soybeans. **Fertilize.** We all fertilize our corn and most of us just put out enough for the corn crop and let the beans ride, but 50 bushel beans need 37 pounds of actual Phosphate and 60 pounds of actual Potash. Are we putting enough fertilizer out to support a bean crop? Then hold onto some blooms once the beans start blooming. How do we do that? Awaken has ten years of proven results averaging 5 bushel over that period. Awaken is a foliar fertilizer

that we put in with the second pass chemical that helps the plant hold onto some blooms. Headline is another proven way to increase our bean yields. I believe that Headline on beans is the biggest no-brainer we need to do. If we use it at R3 we almost always see an 8 bushel yield increase. Finally another way is to use foliar nitrogen at R5. Beans use a tremendous amount of nitrogen, at this stage, and the plant has quit producing its own nitrogen. Some trials have produced a 5 bushel yield increase using foliar nitrogen, like N Pact.

Stop relying heavily on Roundup. We need to start using higher rates of pre-emergent chemicals and use overlapping residual chemicals with our second pass. Waterhemp is becoming an increasing problem and if we don't change it will take over, this year was just the beginning.

Hope everyone had a great New Year and are still on your resolutions, why not look at these suggestions and see if they will make your operation more profitable.