

SFG Update

Smith Fertilizer & Grain

March 9, 2012

Max Smith General Manager



Spring is arriving quickly. For the first time in many years, it appears winter has skipped Iowa. What does this mean? Will the rain season skip us as well or will the monsoon season come and make up for the low moisture levels this past winter? Only the weather man knows for sure and he has a 50-50 chance of being right! Today we are much better farmers than when the last two major droughts occurred in '77 and '88. We now till the land much less, feed the crops better than ever, and have better buildings to house our live-

stock. Seed has the biggest change of all. We pay a premium for seed, but receive our money's worth and then some.

Markets are cautious to move up since the Chinese leaders were here in Iowa recently. Sales have been steady through the winter and early spring. As I'm writing this, corn prices are around \$6.50 and beans are \$13.00 at the terminals. Not very long ago we were unsure if prices would come back. Prices are good today. Some are holding on for more money, but we know that a strong market needs fed. So lets feed some grain into this market. Most of us are paying interest and these grain markets are a good place to stop some of that expense. That being said, I encourage you to save a portion of your crop for summer heat related issues. New crop sales should be made to offset fall expenses. Planning ahead will make you money.

Fuel prices are getting pretty

wild. Our freight rates have steadily gone up. Most companies have fuel surcharges built into the freight coming to us. We have adapted to this. Lime and Super Grow delivery are all based on mileage today; this has worked well for both sides. Our agronomy application charges and feed delivery charges will increase this spring to keep up with our increased costs. We do not like raising prices for our services. However, the reality is that operating costs are increasing and we will make changes to reflect the current overhead costs this spring. As a company we continue to evaluate our effectiveness driving unnecessary miles. I told Sharon to make fewer trips to town. She told me not to eat so much. Not sure how that is going to turn out!

This winter, we have updated 3 semi tractors, rebuilt one dry nurse truck and one liquid nurse truck, in addition to up-

dating two sprayers. We are preparing our equipment for spring. We have had a few employee changes within our accounting office at Knoxville. Sharon had been very busy training to get everyone up to speed. As the saying goes, we will be ready to Rock 'n Roll by spring.. If you have not stopped in at one of our locations to get your agronomy plan scheduled for this year, do so right away. None of us want any hiccups when it is time to go!

We have two terragators we are selling this spring, one 4 axle semi-tractor, some pickups, and other equipment. For details check our web site at www.sfgiowa.com/sale. All of this equipment has been through our shop and is field ready.

Thank you for attending our meetings this winter. Our staff trains every day to help you be successful in 2012!

Max Smith
General Manager

Just a Reminder: Effective January 1, 2012

Grain check pickup will be available on Tuesday and Friday **AFTER 12 pm.**

Gary Sterling Albia Location Manager



Since I last wrote, the grain markets have advanced significantly. All kinds of factors are

involved in what is happening with the grain markets, including droughts in South America, good exports, and increased ethanol usage.

Some of the climatologists say we are going to have a dry spring and are not going to have trouble getting crops planted. They are starting harvest in South America and are talking about lowering yields some more. People are talking about dryer weather this year again and lower production in other countries. That is going to put more pressure on the United

States to cover the shortages. If we end up having good weather it could result in an over abundance of both corn and beans. With that being said, we can look for the markets to go up, go down or stay steady take your pick.

My suggestion would be that if you can sell and cover costs and make some money then you should have a plan to start selling at that point and continue to sell some more as the markets go up until you have sold enough to cover inputs. I think you will feel better sell-

ing on an up market rather than when it is going down. A person should set a plan and stick to it. Your goal should be to cover your inputs at a profitable price and then sell some bushels into an advancing market.

March Feed Specials:

- **Kent minerals are buy 10 get 1 free.**
- **Hubbard minerals are \$2.00 off per bag.**

Mark Young Agronomy Manager



Are you looking for a way to kick soybean yields up a notch? Then consider foliar feeding. According to Smith Fertilizer & Grain and various consultants studying foliar fertilizer applications, yields can be bumped up by 3 to 9 bushels per acre. Researchers found that foliar feeding maintains a better overall nutrient

balance within the plant, which may not be achieved through soil uptake alone. They noted that root distribution, soil temperature, available soil moisture, soil nutrient imbalance and other factors can limit nutrient absorption through the roots.

According to Iowa State University research; "Plants can absorb nutrients through their leaves, spraying fertilizer on the plants can prevent nutrient depletion, keep leaves more active in carrying on photosynthesis, and increase seed yields." University studies have demonstrated that foliar fed nutrients move upward and downward from the leaf surfaces where they are applied. This helps move concentrations of growth nutrients to the most critical parts of the plants. The effectiveness of foliar applied nutrients is determined by the type of formulation. Yield

increases of 5 to 10% or more can be achieved when using the right product at the right time.

Many factors are involved in achieving top yielding soybeans. It begins with having good soil, balanced fertility, and plenty of moisture. Smith Fertilizer & Grain also emphasizes the importance of managing soil compaction, keeping weeds and insects under control, and planting good seed.

Foliar feeding is not going to give you an extra 20 bushels. It just does not happen like that. Your soil test levels need to increase. Foliar feeding acts as a dessert to soybeans, not the meat and potatoes. Good soil with the right balance of nutrients is the meat and potatoes. Foliar feeding is not going to make up for shortcomings in soil. It is the last step in a program that a good farmer will do to increase yields.

Corey Garrington Agronomy Sales



With today's technology, the word communication can mean many things. Communication is a key component when it

comes to the agricultural industry. It is very important for us as agronomists to sit down with our customers to review each operation's agronomy plans. Having agronomy plans strategized and ready to be implemented is important to everyone. For starters this tells us when you will be expecting your seed corn and beans to be delivered, allowing us to plan ahead in the placement of our seed inventory. This sounds simple but in reality it never fails, we stack seed in the shed and have to move it out of the way to get to your seed order.

Communication and utilizing agronomy plans is very important when it comes to

spraying chemicals, which is a top priority for many growers. Everyone is well aware that Mother Nature decides when we spray chemicals. It is our job to make sure the right products and the proper amounts are used when that time comes. It is crucial for the communication line to be open between farmers and agronomy salesmen, this will lead to timely and properly sprayed crops.

April is swiftly approaching, now is the time to sit down with your agronomist. Keeping the line of communication open helps increase everyone's time management and productivity as another busy season begins! As always, thanks for reading.

Brad Kaufman Agronomy Sales



We are quickly approaching spring so I would like to discuss your seed orders. This past fall/winter we assisted many of you in making your seed decisions for the 2012 growing season. Orders were developed based on which variety would work best for your ground, to give you the high-

est yield possible. Now would be a good time to sit down with your local SFG agronomist and review your orders and placement of the variety. With today's commodity prices we can't afford to misplace a hybrid and leave maximum yield potential in the field.

In the past few weeks several truckloads of seed have been delivered to SFG. We do not anticipate any inventory issues since a majority of our customers booked seed early this year to help ensure they would receive the best varieties for their acres. We will soon start sorting the seed so it will be ready when you are.

DeKalb and Garst, may not be the cheapest seed companies, but they are very dependable and customers are rarely disappointed when sitting in the combine come

fall. We still have access to some seed for side by side trials if anyone is interested. A side by side is a great opportunity to try one or two hybrids from either company against one of our competitors' hybrids. We ask in return to be given the opportunity to experience the yield difference with you by bringing a weigh wagon or riding with you in the combine to observe your yield monitor.

Another way to see what DeKalb or Garst seed can do in your operation is to put in a test plot. We will help put the plot in and assist with taking it out. Hopefully we can bring customers to the test plot with us a couple of times during the growing season to see the differences in each hybrid.

With spring fast approaching taking the time to sit down with your SFG agronomist would be very beneficial to you.

Jerry Don Johnson Agronomy Sales



According to Wikipedia, the definition of Cation Exchange Capacity or CEC is the maximum quantity of total cations, of any class, that a soil is capable of holding, at a given pH value, for exchanging with the soil solution.

I once read that CEC of your soil is like a bucket. Some soils are large buckets and some are small buckets. The higher the CEC the larger the bucket and the greater the nutrient holding capacity. Sandy soils with little organic matter are small buckets and clay soils with a lot of organic matter are large buckets. Soil organic matter can retain cation nutrients by cation exchange and chelation, and can be a source of nutrients when decomposed.

The CEC of your soil directly affects the amount of fertilizer you should use and the frequency with which you should apply. Based on your soil type and the percent of organic matter in the soil and the relative strength of positively and negatively charged nutrients in your soil, you can devise a sound soil treatment plan that accomplishes the most with the least.

Cations have a positive charge and Anions have a negative charge. Here are some soil nutrients in the group they belong.

Cations

Hydrogen (H+)
Ammonium(NH4+)
Sodium (Na+)
Potassium (K+)
Calcium (Ca++)
Magnesium (Mg++)
Copper (Cu++)
Iron (Fe+++)
Aluminum (Al+++)

Anions

Phosphate (H2PO4-)
Nitrate (NO3-)
Bicarbonate (HCO3-)
Sulfate (SO4--)
Boron (H3BO3-)
Chloride (Cl-)

Along with soil texture and organic matter, pH also has an effect on CEC. And of three factors, usually only pH can be changed. Soil pH changes the CEC because the soil has exchange sites that become active as the pH increases. Soil CEC

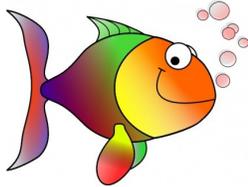
could be expected to increase up to 50% if the pH was changed from 4.0 to 6.5 and nearly double if the pH increased from 4.0 to 8.0.

Think of it like this, your soil works like a giant magnet, attracting cations, and repelling anions- positively and negatively charged nutrients. Knowledge of this process can be used to develop appropriate soil treatment and fertilization plans for your specific type of soil.

You can estimate your soil CEC using a basic formula based on your soil type and percentage of organic matter or you can have a qualified representative from SFG help you by pulling grid sampling and getting a more accurate representation of your soil.

Soils with low CEC (small buckets) need more frequent but smaller applications of fertilizer. Soils with high CEC (large buckets) can go for longer periods of time before needing fertilizer but need larger quantities to refill their exchange sites.

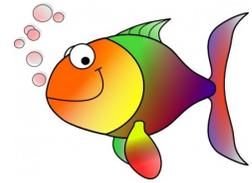
Contact one of your qualified SFG representatives and have them help you develop a lime and fertilizer plan for your specific soil type.



SFG Fish Days at Albia Location

April 19th: 10:30 AM - 11:30 AM

May 31st: 10:30 AM - 11:30 AM



For special requests or more information please contact Blyzo Fish Farms at 1-641-874-5907.

Ashley Knust Feed Sales



Calving season is finally here! Hopefully the warm weather that is forecasted this

week helps get you started off on the right foot. With the value of newborn calves being \$300-\$500, anything we can do to keep calves healthy will pay off later! Some things to add to your calving kit include: colostrum replacer (for emergencies when the real stuff is not available), colostrum supplement, electrolyte powder, tubing bags, nipples & bottles, and Optocalf Paste. Stop in at Smith Fertilizer & Grain to restock your calving supplies!

The month of March also brings our mineral specials! Your cattle need minerals. Believe it or not, it is already time to start

feeding a fly control mineral. Using Alto-sid for 30 days before fly emergence through 30 days after the first frost prevents flies from successfully multiplying. Horn flies can cause 15 lbs to 50 lbs of weight loss per head during the summer season. A horn fly takes 20-30 blood meals a day, and the constant biting interrupts the grazing pattern of cattle. Keeping on top of fly control can have a positive economic impact on your herd! SFG can set you up with a complete mineral program that will encompass all the seasons and keep your herd performing well.