



# AgVentures NW, LLC

Managing: Odessa Union Warehouse Cooperative  
Reardan Grain Growers, Inc.

Spring 2009

AGVENTURES QUARTERLY

## Crisis or Opportunity?

Over the last several months, markets of all types, locally and globally, have taught us a few very painful lessons. One – that our economy can change quickly, and two – we have little, if any, control... Or do we? This lack of control sends us into panic mode and creates the sense of crisis.

It's true, we probably can't direct what happens at AIG, Lehman Bros., or even Congress. But we can control our future by controlling how and where we spend (or save) our earnings. No question, it is still a good idea to invest in the future through retirement plans, savings accounts, and/or perhaps property. However, looking forward, we can bring the greatest security to our future by doing business in the communities where we live. Making sure that we are investing in the future success of our local businesses will provide greater security to our farms and communities. Local businesses support us everyday as we run to town for that part we need, to the grocery store for a loaf of bread and gallon of milk, to the grain elevator to market our production from the last harvest, or to buy fuel and fertilizer for the next year's production. These businesses are our *infrastructure*. Our community businesses are the foundation of support for the goods and services we rely on all year long, every year. They rely on the margins earned from our business and use them to upgrade technology and to pay taxes that support the local hospital, fire department, school, and the roads that get us from place to place.

As our lives evolve and transportation and technology opens access to a bigger world, community businesses struggle with competition from large chain providers. It's a normal response to take advantage of a deal while we visit the city. But what is the true cost when we lose a local company? We don't just lose a convenient and understanding business partner. We lose the support that business affords our community.

Along with the sharp competitive edge that we demand in our daily transactions, our fast paced lives may have dulled our memory and perspective of how we got here. The companies that serve us do not take our business with them for granted. They work very hard to provide the best service and most competitive prices possible in order to be here the next time we need them. A few extra cents or dollars invested at home can pay dividends in many ways.

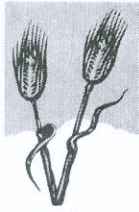
The companies of AgVentures NW, LLC – Reardan Grain Growers and Odessa Union Warehouse – sincerely thank you for allowing us to be a part of your business and your future.

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## Odessa Union Warehouse Cooperative is turning 100!

Please join us at our annual grower dinner to celebrate Odessa Union Warehouse Cooperative's centennial. Dinner will be held June 25 at the Odessa Community Center; more information will be included when your ballots are mailed. Please feel free to share your pictures or special memories at any of our offices.

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## Seed Division Happenings

*by Paul Porter, Seed Division Manager*



This winter we have been busy holding grower meetings: Harrington in January, Davenport in February, and Sprague in March. The message at all of the meetings was the same; wireworms are present in all areas of Eastern Washington. The recommended rate for 2009 is .315 ounces of Cruiser per hundred weight of seed and the cost is \$1.26 per bushel of wheat. A plant vigor response of .75 to 1.5 bushels of additional wheat per acre is typical. If you do have wireworms damaging your wheat, the economical return will be greater. If you would like additional information contact Paul or Steve.

### New Variety Tests

Last September different growers helped Odessa Union Warehouse Co-op with field size trials. Mike Miller planted 5 different soft white winter wheat to see how they compare to Eltan for emergence. Planted 7 inches deep in  $\frac{3}{4}$  inch of moisture, Eltan emerged in 14 days, Xerpha in 15 days, Masami and Legion in 19 days and Salute in 23 days. The plots are  $\frac{1}{4}$  mile long and 2 passes were made. AgriPro is going to collect harvest data on the different varieties.

Dormaier Brothers planted a 4 acre plot of Legion in their chemical fallow summer fallow and Roger Peterson planted a similar sized plot in his conventional summer fallow. After harvest we will share the results. All locations have survived the winter.

### New Varieties

We will have the following new varieties this fall:

Xerpha – WSU's new soft white winter. We will have registered seed this fall. It was planted in October following potatoes and had some wind damage but seems to be recovering well.

Legion – AgriPro's new soft white winter release. Good disease package and yield potential and good straw strength.

This summer look for the following new releases:

WHIT – WA 8008 soft white spring

KELSE – WA 7954 hard red spring

JD – WA 8047 soft white club spring

BABE – WA 8039 soft white spring (Alpowia replacement)

This past winter Odessa Union revisited our credit policy. Odessa Union's credit terms are: net 30 days on approved credit accounts. If the account is not paid within 50 days of the first billing date, a lien will be filed against the crop. For those customers without established credit, payment will be required at the time of the sale.

Our credit application process is not complicated. If you have any questions, please call me at 509-348-0060. Thank you in advance for your cooperation on this matter.

The WSU winter wheat plot has been abandoned for this year. Here at Odessa Union we feel visiting seed plots helps us with future seed variety decisions. If enough interest is expressed, I will work on arranging an alternate seed plot tour. Odessa Union is involved in a field trial of Eltan, Legion, Xerpha, Masami, and Salute. We have a test plot with different rates of seed treatments on ORCF 102 and we are in the planning stage for our spring seed plot. The spring seed plot will have hard white spring varieties, dark northern spring

## Market News

by Byron Behne, Merchandiser/Broker

Spring is upon us but not much has changed in the grain markets since our big drop in prices right after harvest. Demand continues to be curtailed by the current economic situation and consuming countries like Egypt have been choosing cheap prices over good quality as Russia has been very active in the export market undercutting U.S. soft red prices by a healthy margin. As a result of this demand destruction old crop supplies will increase and the USDA is now forecasting that despite lower planted acreage for the coming crop U.S. stocks of wheat will continue to grow next year. On their March supply and demand report the USDA boosted ending stocks of wheat this year by 57 million bushels and world supplies by 216 million bushels. Basically this means that we're going to need a weather problem somewhere in the world this year to have any hope of seeing significantly higher prices. Our local crop isn't in very good shape but we're too small an area to matter much to the markets. Last year was not a good year for production locally but other areas of the Northwest more than made up for our shortfall so we'll have to wait and see what happens this year. Club premiums should be strong again this year but perhaps not the near \$2 we've seen lately. The Japanese are getting concerned about how much they're having to pay for the western white (80% SWH, 20% Club) that they import and are looking at possibly adjusting the percentage of club in the mix, especially considering that club supplies should be tight again this year.

## Feed & Specialties

by Bryan Bezdicek, Branch Manager/Merchandiser

When we look back to last harvest and see what the price of barley has done we see a downward trend. Since the New Year, all we can say is it has been very dull. There hasn't been much activity to speak of as all of the barley we have shipped has gone to feed lots and absolutely none from here has been exported. This does flip flop from one year to another but this is the first time we can think of that it has been this lopsided. Three weeks ago we saw more weakness in the prices but the last 10 days or so saw some support. Most of that support came from a lack of any farmer selling and the fact that the buyers of barley were told that seed decisions for this spring were being made and that wheat looked way more attractive to sow rather than barley. The market did move up shortly after that, some barley was purchased by us, and a hint of weakness again showed up. AgVentures NW LLC has approximately 22% of the 2008 barley crop left to purchase as of today that really is not much for tonnage. At this point we would expect more of the same movement of prices for what barley is left in our bins to purchase. New crop price has held lately at a steady \$135.00 coast; not sure what that will do. A lot will depend on how much barley goes into the ground this spring and only time will tell. Lets hope that the financial markets around the world will get back to a somewhat normal very soon, which should allow all the commodities to adjust accordingly.

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## Seed Division Happenings

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varieties, and soft white spring. If you have any suggestions on what you are interested in seeing or if you would like to attend, please contact Paul.

### Current Spring Seed Supply

We currently have Certified Alpowa, Common Louise, and Common Otis available. We have access to some dark northern spring seeds; please call with your needs.

Have a great spring and summer. Hope to hear from you soon.



*Please note the insert provided as a courtesy to the Washington Association of Wheat Growers (WAWG).*

In our preparations for the celebration of Odessa Union Warehouse Cooperative's centennial anniversary, we have discovered that not only is the company going to be 100 years old, but that we have some patrons who are also celebrating this landmark milestone. Below is the story of one of those patrons.

We invite our readers to let us know of any of our patrons who may be celebrating their 100th birthday as well. If you would like to share a name or story, please contact your nearest office.

## **Patron Spotlight**

*Submitted by Vern Knoell*

On March 19<sup>th</sup>, Lydia Knoell celebrated her 100<sup>th</sup> birthday surrounded by her immediate family, as well as relatives from Germany and the Portland area.

Lydia was born in 1909, and raised in an area of German settlements located near the Black Sea, in the Ukraine region of southwest Russia. Early settlers of Odessa and their descendents are familiar with this area, and it is said that Odessa got its name from the early immigrants who came from the Odessa, Russia, region who homesteaded the surrounding sage brush (now wheat) fields around town.

As a young woman, Lydia worked as a seamstress at a wool manufacturing business. In 1940, with the threat of war between Russia and Germany imminent, she married Jakob Knoell (Jake). The Russians threatened to either kill the settlers or confine them to labor camps for life, so with the assistance of the German government all the German inhabitants of that area were relocated to various spots in the German Homeland.

Lydia and Jake spent the war years working on a large state-run farm. Jake worked as a handyman and Lydia as a cook, seamstress, and whatever else was needed. In 1942, Lydia gave birth to Marianne. In 1945, during the last weeks of the war, Jake was drafted into the German infantry, and without training was told to defend against the Russians. It was the last time Lydia would see him for nearly 5 years. Lydia became a refugee again, this time with child in tow. She ended up being taken in by a lady who was widowed in World War I. Lydia, believing she was also a widow, worked as this woman's personal assistant basically for food and shelter. Two years later, word came through a very long grapevine, that Jake was alive. He had been wounded, captured, and held in a number of different labor camps in Western Russia.

In the fall of 1949, Jake was released and re-united with Lydia. They spent a few years in Northern Germany with some of Lydia's family. With work scarce and housing even more scarce, Jake, Lydia, and Marianne, sponsored by Lydia's sister, the late Christine Hemmerling of Odessa, immigrated to the United States, arriving in Odessa on Lydia's birthday in 1952. Their son, Vern, was born later that fall. The early years were a little rough getting on their feet, but in the 1950's, many residents of Odessa could speak German, and there were both English and German services at their church (Christ Lutheran).

Lydia says the 57 years (so far) she has spent in Odessa have been far more uneventful than her first 43 in Eastern Europe, but that's just the way she likes it. She says she never dreamed she would live this long, and says she really doesn't feel like 100.

Lydia and Jakob (97) have been married 69 years, and still live independently with the help of neighbors and family in Odessa.

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(This newsletter was produced and edited by Karen Larsell)

Take a few minutes to browse [www.odessaunion.com](http://www.odessaunion.com) or [www.reardangg.com](http://www.reardangg.com). They feature the cash market closing prices along with a commentary to inform you of current news and events. In addition, you will find the local weather and a number of informative industry related links.

For additional company information and/or specific market information, contact one of our offices at the contact points listed above.