

# Prairie Grain

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*When*

December 2011

## A Smooth Harvest at Prairie Grain Partners

By SCOTT MAUCH, GENERAL MANAGER

With the new outbound scale, scale automation, and additional dumping capacity, the harvest process was so smooth that the normal harvest rush chaos never materialized. Thanks to all of you producers—you did a wonderful job helping us with the transition.



Our latest project was another step in our ongoing plan to get you through our facility as quickly as possible so you can stay in the field. We dumped 500-600 trucks each day at the peak of harvest, and our average was 7 minutes from weigh-in to weigh-out. There was no racetrack feel, but just a constant, controlled motion.

We had a lot of positive comments about our new facility, and we appreciate the feedback. Some of you hadn't done business with us before, and it was good to get your perspective.

### Healthy, no matter what

Though we saw the biggest grain handle in our history this fall, this was by no means a huge crop. Part of our goal is to have a facility that can dump 800-900 trucks a day and keep times under 10 minutes—in other words, a facility that can handle a huge, fast harvest. But not every year sees a bin-busting harvest. We also have to have an organization that is able to make our business plan work with a smaller crop.

We're building an organization that can deliver great service and a fair price under any conditions. We're set up to load trains for the export market, but right now the export market is down a bit. We have the flexibility

to switch to trucks and take advantage of domestic opportunities. The bottom line is, we have to be able to run our business whether we have big crops or small, large margins or tight, and provide a return to our customers in any situation.

That's our focus—to be a partner that can help you get more from your operation, no matter what production or market conditions we face. We welcome your input on how we're doing, and what we can do better. That's the only way we can continue to improve.

We appreciate your support during harvest and throughout the year. It's a privilege to work with you. ☛



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# Consider Conditions When Evaluating Seed Performance

By NATHAN WILBUR, AGRONOMIST



This is a year that can tell you a lot about the seed you put in the ground. But it's also a growing season that needs to be carefully evaluated to make certain that you're comparing apples to apples.

If your seed came through the extremes of 2011 with flying colors, you can be pretty certain you've got a winner for next year. However, you may not want to write off some hybrids and varieties based on this year. Use caution in your evaluation, as planting dates, field conditions, and compaction can really impact your final results. For example, we had one situation where it appeared that fertility was an issue. It turned out that compaction in the planter track was the culprit.

Despite all the variability, a couple of trends stood out to us. Roundup Ready® 2 Yield beans showed a big improvement over older Roundup Ready varieties, and seed treatments proved beneficial in promoting uniform emergence and stands, as well as extending aphid control later in the season.

If you are ready to try something new, we'll have plenty of exciting seed options for the coming growing season, including new refuge-in-a-bag options and different trait packages. Talk to us, and we'll help you put together a good seed package that fits your acres.

## Good chemistry

We saw very good results from pre-emergence chemicals on corn this year. Based on the weed

pressure we saw in the soybean fields, I would definitely consider them next year as well. For soybeans, we've got a number of different options, whether you favor a pre-emerge chemical or a tankmix partner for your glyphosate.

One thing we've observed may boost the effectiveness of your glyphosate. In testing water around the area, we found much of it to be considerably harder than we expected. Consider adding ammonium sulfate to soften the water and improve the impact of your glyphosate.

## Maintain your levels

Area crops have been posting some impressive yields in the past few seasons, but those yields have come at a cost. We're seeing some soil nutrient mining—something you need to keep in mind as you put together your fertility programs. Tissue testing this summer also showed deficiencies in key trace nutrients, specifically sulfur and zinc. We can get those critical nutrients into your crop, either as part of your regular fertilizer application or as a foliar application later in the season.

Don't overlook starter fertilizer as an excellent way to get nutrients to your crop, to break up the applications, and increase plant health and yields.

We appreciate the business this past year, and look forward to helping you plan for the coming crop. ❧

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# Opening Performance a Hit for New Facility

By TOM KUHLMAN, BOARD PRESIDENT



The big news this fall was the performance of Prairie Grain's new grain facility. We were ready to receive grain the second week in October, and based on the feedback I received from farmers, the facility worked just the way we hoped it would. It took a little time to get the weigh-in/weigh-out process down, but there wasn't much confusion regarding traffic flow.

The staff scheduled tour dates and took several groups through the facility prior to harvest, and I think that helped when the time came to use the facility. Thanks to our customers—both old and new—who brought your grain to us this fall. A special thank you to those who gave us your feedback on the new grain setup. I'm convinced it will be a tremendous

asset in the coming years.

Many of you also told us you appreciated the 7:30 a.m. to 10 p.m. hours during the heart of harvest. I want to compliment the staff, who did a wonderful job of handling the harvest. Good employees are the key to making everything flow smoothly.

Of course, grain isn't the only game in town, and our agronomy facility once again proved its value this fall. We've had a good fall application season, although the dry conditions are limiting anhydrous application.

In closing, remember that your board members are always open to your comments and feedback about our facility and operations. Your feedback is essential in keeping Prairie Grain Partners on track and in step with your needs. ❧

# Turning the Page on 2011

By ROGER BROCK, AGRONOMY DEPARTMENT MANAGER

A lab experiment couldn't have given crops a more thorough test than the 2011 growing season. Cool, wet conditions that delayed planting gave way to blistering heat and high humidity. Then, we turned off the tap, brought in major wind events and hail, and topped it all off with an early frost. Despite all that, we saw good yields for corn and early-maturing soybeans. Full-season soybeans fared the worst.

With the dry weather, fall tillage and anhydrous application was a challenge. Fall application has basically come to an end. Now we can turn the page and start looking forward to the 2012 growing season—and a full spring application workload.

## Fill 'er up

If you've coasted to a stop in the middle of nowhere, you don't have to be reminded that your pickup won't run on an empty tank. The same is true for your growing crops. To get the best return

from your seed investment, you need a full tank of crop nutrients to keep crops growing all season long. Stop in and see us, or give us a call. We'll be glad to set up a plan to keep your fertility tanks full.

Speaking of tanks, don't forget the new rules on bulk chemical tanks. Bring in your tanks to be tested and have the one-way valves installed, so when spring rolls around we'll be able to fill them without problems. If they aren't updated, the new regulations won't allow us to fill them.

If you've heard about our agronomy services but haven't had a chance to check us out, Rick, Nathan, or I would love to sit down with you and discuss the advantages of doing business with Prairie Grain.

On behalf of the Prairie Grain agronomy staff, I would like to thank you for making 2011 a success and wish you and your family a safe and joyous holiday season. ❧



# Feeding the Need for Nutrients

By SHANNON COHRS, DOVRA LOCATION MANAGER

Fall has been just as interesting as the rest of the 2011 growing season. Conditions are dry and the soil is hard, making fall application a guessing game. The ground that was tilled, and the lumps that resulted, may make for an interesting spring—and a busy one if we don't get more anhydrous down yet this fall. We need moisture, that's for sure.

It is soil-testing season, and we've changed some of our yield goals. We've found that the new hybrids and varieties pull more phosphate and potash from the soil. According to the latest recommendations, if you're looking at 180-bushel corn and 45-50-bushel soybeans, the nutrient removal is 100-130 pounds of phosphate and 120-150 pounds of potash.

That's in addition to the 130-170 units of nitrogen

corn requires, depending on the yield. And don't forget the micronutrients. The good news is, we test for all of these with our new soil-testing process. We also have a number of ways to provide those nutrients to your crop.

There's one thing I want to make you aware of when you're planning for 2012. The dry fall conditions have left suppliers upside down in the nitrogen market as a lot of anhydrous didn't get applied. As a result, we expect urea prices to start to climb as suppliers try to make up some lost ground. For that reason, I would look to lock in your nitrogen very soon. ❧





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# Complete the Cycle With Effective Marketing

By **JEFF DAVIS**, *GRAIN DEPARTMENT MANAGER*



You've all been pretty busy wrapping up harvest. However, it has been pretty quiet on the grain side of the business as producers focused on tillage and fertilizer rather than marketing. That is okay for a short time, but you must continue to monitor the markets for opportunities in the crop that is stored and the one that will be planted next spring. The good news on the marketing front has been a tightening of basis that, in turn, has kept cash prices above the \$6 and \$11 marks for corn and beans. At the same time, these higher prices are an advantage for our competition around the world as well as the U.S. farmer. We're looking at increased production from the southern hemisphere, as well as ample feed wheat from Ukraine, Australia, and even the European Union. Corn plantings are also up in South America and Ukraine.

Many of you have made your marketing decisions through the first of the year, but don't become complacent. Understand where your profit levels are. There are a few opportunities to take home profits in the neighborhood of \$300 per acre on old crop corn—but the market isn't going to allow us to do that forever.

As far as new crop marketing goes, yes, there are some increased costs, but even today's profit levels are potentially above \$150 per acre in corn. Soybean numbers are not as lucrative but still profitable. By now, most of you know your costs, so you should be sure to have some protection in place either through hedges or grain sales.

## Market outlook

Looking ahead, in the short term, we continue to see the economic turmoil connected to Greece and Italy moving the markets up one week and down the next, depending on how others are reading the situation. We've seen the failure of one of the larger brokerage firms, MF Global. Their problems had nothing to do with the price of corn or soybeans, but rather how they elected to cover risk and outright theft. Nevertheless, the effect has been felt in the ag sector. The 2012 farm bill is also being scrutinized as the government sector is looking for cost savings to reduce the budget.

We'll be watching for the December 9 USDA reports and will no doubt continue to evaluate the production numbers. The bottom line, however, is that world stocks are growing while U.S. ending stocks remain tight.

Currently, our market is driven by domestic demand from the ethanol industry and livestock and poultry feeders. Export demand is yet to be determined but, at this

point, does not appear to be as aggressive as last year.

In the longer term, we'll see increased competition from the southern hemisphere and Ukraine. With current profit levels, we could see up to 95 million-plus acres of corn planted in the U.S. in 2012. It also appears likely that ethanol will be losing some subsidies for its blenders after the first of the year.

My bottom line: Don't become complacent. Keep an eye on the markets and stay alert to opportunities. We're always here if you have questions. 

