

ILLINOIS VALLEY SUPPLY, LLC
August 2007



Greetings from the “Valley!”

Hopefully by the time you read this we will have gotten some much needed rain. It is very important in any case to go forward with planning for the next crop while still doing the planning for harvesting and then doing that harvest of this year’s crop.

As we all have become aware of, virtually nothing happens in a vacuum in our world today. That is certainly true in the world of agriculture as we all are affected by happenings everywhere across the world. A flooded refinery in Coffeyville, Kansas or kidnapping of oil field workers in South America causes a jump in the price of gasoline in Illinois. A piece of bone found in a box of beef in Korea shipped from the U.S.A. causes the price of cattle to drop across the U.S. We have long been familiar with the price of the crops we grow being influenced by the world market for that crop. Now that is becoming more important in the price and probably more importantly the availability of crop inputs such as ammonia, urea, dap, and potash. When the price of natural gas is one half or maybe one third in Russia of what it is in the U.S, it is obvious nitrogen products will be imported and

also to a lesser extent that is true for phosphate and potash. As our distribution systems change to accommodate much longer transportation distances, much more time is needed to get product from site A somewhere in the world to your field. So it is really important that we are on the same page with you as to what you need and when you need it.

Your salesman will be working hard to understand your needs and wants so we can meet those in a timely fashion. We believe NH₃ will be a real challenge this fall as to meeting the customers' wants with product and equipment in a timely fashion. We ask for your help in accomplishing as much as possible in as short as time as possible, and most importantly think and act in a safe manner. Also we need to plan ahead for phosphate and potash as that distribution system is longer while the needs are over a shorter period of time. The operation people have been busy painting and servicing equipment getting ready for fall.

We have gotten the large door in our shop, so the largest NH₃ bar we have can be put inside to work on. That should enable us to do the best possible job of having our equipment and vehicles in condition to go to the field to serve you. We encourage you to consider having us custom apply NH₃ this fall so that tool bars can be running maximum hours actually applying product, and with what we are charging for the application it should save you on cost. That should make a “win win” situation for everyone.

The entire staff here at “Illinois Valley” hopes you give us the opportunity to serve you this fall and the

coming year. We say “thank you” for your business.

I know it seems earlier and earlier every year, but before long combines will be rolling throughout the area. That means it will be time to both evaluate the hybrids and varieties from this year and at the same time make decisions for 2008. As we all know, seed supply was tight for several hybrids last year. The sooner you can make your decisions the better chance we have of getting the seed and seed size that you prefer. We are able to offer several lucrative programs here at IVS this fall so be sure to get in contact with me or your salesman and see how we can help you.

John

Tyler's Comments:

I'm starting to do several yield checks around the area. As you might guess, these checks vary according to the rainfall and soil types throughout the area. If you would like for someone to come out and look at some of your corn hybrids please don't hesitate to call. The soybeans are in a critical period right now and as I'm writing this the forecast doesn't look too promising. Hopefully we can catch a rain in here in the near future for pod fill. Also, for all of you who have 'side-by-sides' and or plots, please keep us in mind if you need a weigh wagon this fall. Between the three of us here, we tend to keep the

weigh wagon busy in the fall so a couple of days notice is always appreciated.

We are monitoring for variant Western Corn Rootworm Beetles (WCR) in several areas in the IVS geography. Most of the traps were set in the soybean fields during the third week of July and will be monitored weekly for a month. So far I have not seen threshold amounts except for one area East of Carrollton. We will keep a watchful eye on these traps over the next couple of weeks and will get those results out to you as soon as we can.

Lastly, if you know you are going to need any planter parts for your Precision units please be thinking about that and making a list. Also, if you aren't currently planting with Precision Meters or E-Sets and might be interested in trying some out, please contact me. Precision has come out with their own monitor now and it looks to be a great tool along with their meters and plates. I haven't got to see very much information on the monitors but we will be attending some training in August and hope to get brought up to date quickly.

Steve's Notes:

Crop Insurance Never Stays the Same

Co-mingled Grain – With the wide basis this year nobody is going to leave a grain bin partially filled just so they can keep their yield history separate for their crop insurance. Therefore, when you are co-mingling grain from different farms it is very important that you do one of the following: 1. Use load logs with dates and amounts, ie combine hoppers. 2. Scale tickets or 3. Yield monitor reports. When you are doing this the more information you can write down, the easier it will be for the adjuster, if you have a loss or for yourself when you are filling in your production reports.

Silage appraisals – This year the federal crop insurance has stated that before you have any silage chopped, you must have an adjuster come out and do an inspection. This needs to be done in case there is a loss and it also needs done to satisfy yield history, as well.

Old Grain – If you are still holding old grain and plan of piling new grain on top you must notify the insurance company before you add the new grain. After you notify them they will send an adjuster to record the bushels and mark the bin.

The reason I am bringing up these points is that this year we could be seeing some losses due to the drop in corn prices and as we all know, the rains have been quite spotty. So, bottom line, if at all possible keep each farm separate from the others and if you have to mix them together keep accurate and detailed information.

General Updates – The crop insurance program has been under some scrutiny this summer, because congress has had

to find places where they can make budget cuts and we all know that our insurance is partially funded by the government. Now that we know the insurance has been under the gun, we can anticipate some changes in the future after the new farm bill is final. I you have any questions on insurance give me a call at 217-942-6991 or 217-248-1269.