

ILLINOIS VALLEY SUPPLY, LLC
December 2007



Greetings from the "Valley."

Let me start this newsletter by saying a sincere **"Thank You"** for your business in 2007! What a fantastic fall for getting work done. Thanks to you a lot of crop nutrients and fall-applied herbicide are on the fields.

At this special time of year all of us at Illinois Valley wish you a **"Merry Christmas and Happy New Year."** We will be closed December 22nd thru December 25th. Then we will be open until noon on December 31st.



As we continue plans for next year in the ever-changing and challenging world of Agriculture, we will all have to continue to adapt and move on. These are exciting times with historically high prices for products we produce and, likewise, the products we buy.

The two paragraphs quoted below are taken directly from **Mosaic's** market newsletter.

"The impact of extraordinary farm economics on potash demand also is evident in import statistics from the big three importers – namely Brazil, China and India. Imports by these three countries were up 33%, 74% and 40% respectively during the first nine months of 2007. Brazil will import record volumes of potash this year, eclipsing the previous high mark set in 2004 and we project that imports will increase another 8% in 2008 due to continued strong farm economics, especially for soybean production."

"Demand starts on the farm and farm economics for a wide array of crops grown in almost all regions of the world continue to strengthen as a result of the boom in agricultural commodity prices. Consider the closing prices on November 23 for key potash – consuming crops. New crop corn prices for 2008, 2009 and 2010 all closed at \$4.32 per bushel. The nearby price of soybeans settled at the round figure of \$11.00 per bushel. The nearby rice contract closed at a life-of-contract high 13.31 cents per pound. The nearby price of palm oil on the Kuala Lumpur exchange broke 3,000 ringgits for the first time and closed at a record high of 3,002 ringgits per tonne (or 40 cents per pound). These extraordinary farm economics are boosting potash demand from every corner of the globe."

Phosphates are in a similar situation with demand exceeding supply, therefore prices are rapidly escalating. Then the last major nutrient, nitrogen with the cost of NH₃ being 90% natural gas is also at a historically high price. So for the foreseeable future we will be dealing with higher prices and there is a **critical need to make sure to use best management practices.** An increase of five bushels per acre yield for soybeans with \$10 per bushel compared to \$4 per bushel adds \$50 to the bottom line as compared to \$20. All those things we should be doing become more important. Hybrid selection, seed placement, timely planting and harvesting and marketing all become more critical to the bottom line. Some basics that jump out are soil testing and applying what is needed. I strongly maintain grid sampling, variable rate application and precision agriculture become even more beneficial.

As we move into prepay season for spring inputs, our people are ready to work with you to match your needs to programs we offer. With higher cost per unit for inputs there is the need for more cash for inputs. **CFA** might be helpful with **additional money to lock in the best prices.** **Kyle Lake** is ready, willing and able to help find a program that works for you. We will have those **prepay programs** ready for late December and January pay to maximize the buying power of your input dollars.

With the start of 2008 we will do some **modification of credit card payments.** For bills up to \$1,000 there will be no change. For amounts over

\$1,000 we will charge 1% . Any questions, please call our office.

John



Tyler's Comments:

A lot has taken place since the last time I wrote in this newsletter. Harvest has been completed, fall tillage is over, and a huge portion of the fall fertilizer, spraying and anhydrous ammonia has been applied. I assume most everyone has had a chance to scour over some yield data and most have probably already started making some decisions for 2008. Looking through all the **2007 yield data, Dekalb and Asgrow** brands has had another **successful** year. Once again it looks like the Monsanto genetics combined with their traits has provided extra bushels and more importantly extra dollars. We have condensed a lot of local field data onto some handouts that you can access here at the office or from your salesman.

Some of the top hybrids are beginning to get tight on supply so if you know what you want or have questions, please contact your salesman soon. On the soybean side, group IV's are tight on supply due to tough growing conditions in the southern part of the state. Many varieties will have a smaller seed size which most people like to hear. Get your order in early to reserve those later beans.

Winter is the time of year to get your **planter ready for spring**. If you've recently purchased a new or used planter or just want to tune up your existing planter, **Precision meters** are a valuable resource that will **add bushels**. Uniform stands are a must, especially with the rising cost of seed corn. In order to get the most return on your seed, it is imperative to place each seed in the correct spot. We have several brochures and DVD's that show all the benefits to the Precision systems. Contact us soon so we can get a time set up for you to get your meters in here.

Lastly, for those of you who haven't noticed, we have a **new seed shed** here at IVS. The shed is located south and east of the existing seed shed. We already have quite a bit of seed in and take in more every week. Even though we have considerably more space, it is still very important for us to deliver seed to your farm as soon as you're ready. Also, if anyone still has some **wheat pallets we need** to get **them back in**.



[Steve's Comments:](#)

Crop Insurance

I believe all claims have been turned in and the adjusters have done their work by now if we have missed something by all means notify me asap and we will get it done. Dec 10 was the deadline to turn in claims on the 07 crop. Now is a good

time to turn in your 07 production history while it is fresh in your mind, don't wait until the deadline in April.

I will be attending an update training meeting on Dec 13, as always nothing stays the same with insurance and there will be many new topics discussed. One common topic that will be discussed is the premium reduction of up to 23% if you plant Monsanto's VT3 or Yield Guard Plus genetics on at least 70 plus percent of your acres. Now, this is far from being set in stone in my opinion there is a lot of red tape to go through within the Risk Management Agency. Another topic will be the future of crop insurance with the new farm bill, items such as how it will be funded, at what level it will be funded, and what new types of products will be available. So as always everyone will want to sit down and go thru the different options again this spring.

If you have been contacted by the USDA or the National Ag Statistics Service (NASS) on your 2007 crop production I encourage you to **complete** any **information** you can and return it to them. Those surveys play a big role with the county average yield for the GRIP type insurance, as well as other government reports.

Precision Farming

We are an Ag Leader Dealer and I encourage you to get on Ag Leader's website and look at the capabilities of the Insight system www.agleader.com. The Insight is a console that is capable of being a planter monitor, NH3 monitor, Dry fertilizer monitor, and a yield monitor. Within each capacity this Insight can displace your current

monitor in many cases and variable rate anything from planting to fertilizer application. Therefore as you start thinking about working technology into your operation I would consider using this Insight, I believe it will be the most universal application console available.

Thanks for your business in 2007 and I wish you the best in 2008

Steve Albrecht



Joe's Comments:

IVS would like to **Thank You for your propane business.** We truly appreciate your business and look forward to serving you this season. We hope you and your family have a Merry Christmas and a safe and happy New Year!

Cold weather has now arrived and **Don Ross** has been busy delivering on the keep full route. We value his dedication and commitment to providing you with safe and reliable service. Keep full delivery is an excellent way for us to more efficiently monitor and deliver propane to your home. The majority of our customers are on this program and we appreciate those valuable customers that have allowed us to place them on a keep full route.

Keep full delivery has several advantages. Some of these include:

- ❑ No worry of running out of propane during peak usage
- ❑ Reduces the fear of forgetting to monitor your own tank and running out during cold weather and poor road conditions
- ❑ Reduces your propane cost – filling the tank on a keep full route prevents you from running very low or even running out of propane which creates a larger expense for a single delivery.
- ❑ Helps IVS make more efficient deliveries, which in turn reduces our overall fuel and operating costs that enables us to provide you with competitive propane prices and services.

If you are not on a keep full program, please consider this valuable service. If you would like to learn more about any of our services or to sign up on a keep full basis contact Donny Ross at (217)-248-6774 or our office at (800) 270-6303.

