

ILLINOIS VALLEY SUPPLY, LLC
February 2007



This is a busy time here at the "Valley" getting ready for the spring season. We have been blessed to get more moisture and will probably get more in weeks ahead. We want to welcome Bryan McMurtrie to our team. Bryan will be working in operation with special emphasis on application of crop nutrients and herbicide.



Hopefully it has been a good winter for all of you. We finally have had some cold temperatures and winter snows. Hopefully that will mean less of certain insects this summer.

All of us here at the "Valley" appreciate your business and cherish the relationship with you. Thanks as we look forward to servicing your needs this spring.

John

TODDS' SPACE:

This upcoming growing season brings more opportunity to the table than folks in production agriculture have seen for some time. It is an exciting time now

with commodity prices, where they are, what's in a single bag of seed corn, and auto steer technology in equipment. If mother nature provides us with some cooperating weather conditions our harvest should definitely be bountiful.

With all these exciting times also **come some challenges**. As the entire country gears up to grow corn in 2007, product supply has come into focus. Phosphate has come to the front of the table as supply is tight. There is even rumor of shortages this spring. Some of the problem is that growers in the south who typically grow cotton or tobacco are going to try corn in 2007. Along with all the extra acres in the corn belt, the phosphate is disappearing quickly. The frozen rivers this winter have kept barge traffic slow to none and warehouses can't keep product in the shed. When the rivers do free up it still takes barges 3-4 weeks to get to some of their destinations. Phosphate has went up \$125.00 ton since December and that is as of today. More pricing pressure is sure to happen. The nitrogens, i.e. 28%, NH₃ and urea, are also rising but not as dramatically at this time.

We are looking at having historically high fertilizer costs come this spring. If you were able to prepay or lock your prices in earlier this winter that was definitely a smart move. Corn at \$4.00 plus still leaves a lot of profit potential out there, but I wanted to make you aware of the condition of the market. We will be positioned as best we can to meet your needs from supply and a pricing standpoint. Right now, I think our supply is sufficient enough not to have to worry about at all, but the price will be escalated to say the least. As with all good things there is some downside. Please call with questions or concerns.

STEVES' SPACE:

Why am I using **crop insurance**? This is the question every person needs to answer before buying crop insurance. When we answer this question, it helps decide what policy works best for us. The following reasons are the most common reasons that I hear from farmers:

1. I am buying this because the banker highly suggests that I carry insurance.
2. I am buying it for the peace of mind knowing that I am protected.
3. I am buying insurance to help me with my marketing plan.
4. I consider it as another input and I have to have it.

The next step I feel that a person should take is to determine what coverage level they should take. The easiest way to decide this is to add up all of your crop inputs for each crop and then look at what coverage level is required to cover that expense. The one thing that I can't stress enough is that when you decide what level you take, you are basically setting your deductible. If you set your coverage at 70% that means that you are willing to lose the first 30% of your crop before you start collecting insurance.

We have been with **NAU Country Insurance** for about three years and we have had good luck with them. NAU and Illinois Valley Supply, LLC do not provide any other types of insurance, therefore making crop insurance our top priority.

Important items to remember:

- *March 15 is the deadline for buying or canceling insurance
- *All policies are continuous, therefore you must sign an application to cancel coverage
- *The prices for revenue coverage are being set right now (corn is around \$3.98 & beans are at \$7.97)
- *The expected county yields for Greene county are 156.5 and 46.9
- *All production history from 2006 needs turned in before April 15
- *All premiums are higher this year so everyone needs to evaluate their coverage
- *My number is 217-248-1269

For those of you considering the use of **Headline fungicide** on corn need to get an order placed to us by **March 31st**. This **deadline** is to help us coordinate our acres with our aerial applicators schedule. You can still put in an order for Headline after the deadline, but it may not be done as timely as we would like. The **information** we need **for Headline application is: Acres, Farm Map, Plat map, bill splits, and a short description**. I suggest that if you are considering using Headline on your farm that you go through the corn hybrids and pick the one with the least disease resistance, or pick the corn that has the highest value, ie, high oil, high starch, non gmo, etc. I have talked to some elevators and Headline does not disqualify you on premiums, however I would **contact** them **before** you make **any commitments**.

CLAYTONS' SPACE:

Resistance management is a topic that I have not covered in a newsletter and I thought it would be good to review this before we go into planting to reiterate the importance of following your **insect resistance management plan (IRM)**.

If we want to continue our long term **benefits** of our **Bt traits**, we must **follow** the **IRM** to help delay the possibility of insect resistance. By planting and following the EPA refuge guidelines, this allows susceptible insects to develop, which then increases the potential of mating between the susceptible insect and those that have survived in the treated areas. Resistance of insects can happen over several generations, but with the presence of a susceptible insect this decreases the chances of resistant genes being present in that insect.

For **yield guard rootworm technology**, you must plant 20% of total corn acres to a refuge that does not contain a Bt technology for rootworm that is within 1/4 of a mile that is within or adjacent to the yield guard rootworm that is in at least 4 consecutive rows wide. The refuge can be separated by a ditch or a road, but not by another field. The adjacent field must be owned by or managed by the grower.

For **yield guard corn bore technology**, you must also plant 20% of the total corn acres to a refuge that does not contain a Bt technology for corn bore within 1/2 of a mile. The field must be within or adjacent to the yield guard corn bore that are in at least 4

consecutive rows wide. The refuge can be separated by a ditch or a road, but not by another field. The adjacent field must be owned by or managed by the grower.

Always refer to the Insect Resistance Management terms on any questions regarding refuge placement, field configurations or any other questions that are related to your IRM. Not following these regulations, will force the EPA to become stricter and more involved in our farming practices.

Remember to **double check your purchase orders on corn** now that our Dekalb and Asgrow seed corn return policy on certain hybrids has changed for IVS because of such a high demand across the country. Because of this change, as I discussed last month, we are also implementing a no return policy on certain hybrids that are in very tight supply. Your salesman will be visiting with you about this as we start delivering, but if you have **any questions** before that **please call me**.

We are staying very busy with our Meter Max division so if you have any meters you want us to calibrate please contact us as soon as possible. We are seeing many producers also investing in our Bullseye seed tube, Keeton seed firmers, and our eSet plates as producers get their planter field ready. If you are interested in any of these parts, please contact us as soon as possible before they are sold out.

If you have any other questions, feel free to contact me at any time.