

ILLINOIS VALLEY SUPPLY, LLC
September 2007



Greetings from the Valley!

Corn harvest is in full swing, and from most of you, we hear the yields are a pleasant surprise. As harvesting gets in full swing long hours are the norm, please remember to **think safety first**. Our guys have been doing a lot of yield checks, and I hope all of you have a measure of your yields for the different hybrids on the various fields you farm. Tyler will address seed selection in more detail in his part of this newsletter.

The good crop is certainly taking off soil nutrients from your soil, and these need to be replaced for future feeding of next year's crop. **Soil test** to see exactly what that soil needs for the most economical and highest yields in succeeding years. I recommend grid sampling that is site specific for the most meaningful test. A terragator with the wide tires spreading P and K on those dry fields certainly gets the job done with the least compaction. **We encourage you to get that P and K on now for the '08 crops** at what probably is going to be the best prices.

Do you remember those fields that stayed clean of winter annuals this past spring during April and most of May? In most cases that was due to fall-applied herbicide programs. Also some of those programs will control some of the early flushes of our toughest to

control spring-germinating broadleaves and grasses, such as water hemp. Our agronomy sales people will be happy to discuss with you the many options for both corn and soybeans. As you are reading this newsletter it is too early to apply these herbicides, but now is a critical time to be doing that planning with your salesman. Have you come across some weeds or grass in some fields as you were combining that surprised you? Perhaps a formal scouting program that gets your field scouted every week or two would have discovered those intruders in time to do something about them. This would also be a good time to talk with your salesman about a scouting program. Perhaps it could mean cleaner fields with better yields.

We are gearing up for the fall NH₃ season with a lot of maintenance work on bars and wagons. Also, we have invested in buying more NH₃ equipment and have leased some wagons from Top Ag to be able to serve you better. We believe the whole NH₃ distribution system will be stressed this fall. So, if you see wagons in your field with a Top Ag name on them, it's planned as that dealership is farther south where they don't do fall NH₃. We also feel **custom applied NH₃ is an economical option** for you, with what we are charging for that service. I would encourage you to consider if that may fit your program. Again, your salesman can discuss the benefits with you.

Have a safe fall and **thanks for your business.**

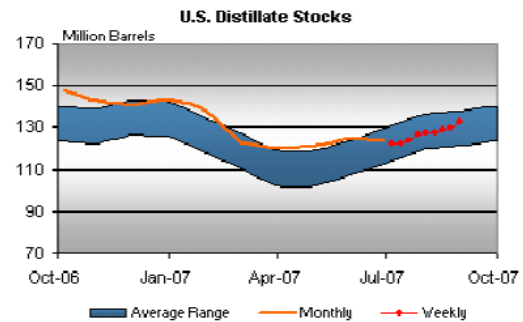
John

JOE'S SPACE:

Harvest has now begun and after the hot summer the cooler temperatures are very much appreciated. **IVS would like to say "Thank You" to all of our propane customers.** We appreciate your business and look forward to serving you this year. The heating season is just around the corner and sign-up for our winter programs will be coming to an end this month. If anyone has any questions about IVS propane programs or has not taken advantage of summer fill, please contact us. In addition, if you feel you need a tank relocated or are concerned about a service related issue please contact Don Ross at IVS to schedule the service work.

Energy prices appear to be volatile for the balance of 2007. Crude oil is currently trading around \$78.00. The most recent market news comes from OPEC and the Fed. OPEC has agreed to increase production by 500,000 bpd, and many speculate that in order to jump start the economy the Fed will soon lower interest rates which will create more demand for energy to power an economic boost? Crude is well supplied with stocks reported to be above the 5-year average. So why is crude so bullish? Some say it is due to the prospect of an active hurricane season, but we are 2 days past the peak season. Others say it is due to the Iran nuclear issue, the Fed's boosting economic growth; we won't have enough crude for the heating oil season and so on. All these are speculative reasons and speculators are using these reasons to go long on crude, which is currently driving prices higher. When will this stop? When the funds decide it is time to take profit. When the market does decide to correct, be prepared to

look at spring and summer contracts for 2008.



STEVE'S SPACE:

John Deere has now entered into the anhydrous applicator business and Illinois Valley has the opportunity to offer our customers the use of a John Deere 2510 NH3 strip till tool bar along with a John Deere 8530 tractor equipped with Auto Trac SF2 guidance system. The cost for this will be around \$15.00 per acre and it will have one of our employees running the tractor and our fuel will be in the machine. **The way this is going to work is when you get done reading this and you would like to try 80-100 acres call us up and let us know immediately.** The reason we have to know ASAP is because we have to get on John Deere's list as it is a first-come, first-serve list. When we have an idea of how many acres we can book for this machine, we will let John Deere know and then they will schedule us in the order in which we call. So bottom line, this is being offered now based on the idea that some of our customers will want to try this type of farming practice and call us ASAP and enable us to get on the list. We were able to look at this machine at a trade show and it does look

like it is built well, and John Deere has built it with the idea of running on bean stubble as well as corn on corn without prior tillage. It will be interesting to see if it will perform in those conditions.

Crop Insurance

As you work through harvest keep in mind that the fall price could have a big influence on your chance of a claim this year. In corn we have seen the price drop around \$.50 and we have seen the beans climb around a \$1.00/bu. So if you have some questions about having a claim or not give me a call and we can work through some scenarios and see if you're close to collecting. As far as customers with the GRIP policies, all you can do is sit tight and see where the fall prices end up and then wait until spring and see what numbers N.A.S.S. comes up with on our yields. I do keep track of our county yields and try to get an idea of what our yield will be so call me and let me know how your yields are coming in.



TYLER'S SPACE:

As I write this, corn harvest seems to be in full swing around the area. Many are surprised not only at the yields that are coming in but also how quickly the corn dried down. Aside from some wind damage in a few fields, corn shelling is going fast and furious and I even know of a couple of growers who are done! Please call us if you would like to have some corn weighed. Soybeans are turning fast and all I can say is I hope they surprise us the same way the corn did.

Our Western Corn Rootworm (WCR) trap monitoring program wrapped up in mid-August. Blaine Hartwick and I kept a close eye on many traps that were set throughout the area. The **good news** is that **very few** of the **variant beetles were found**. We hit threshold only two or three times. This seems to be a statewide phenomenon as many articles I've read from the University also talk about the low numbers of variant beetles. We can attribute this to a couple of things. One, the extreme cold snap we had back in February likely froze a lot of the beetles out. Second, the little cold spell we had in April probably hurt the population as well. We will continue this study in 2008.

Wheat seed is extremely tight.

The CBOT has many growers in the U.S. thinking about serious wheat acres. We have some supply of wheat but more and more is being booked each day. It is starting to get tight so please let your salesman know as soon as possible if you are going to need wheat so we will be able to accommodate you.

Finally, we would really **appreciate getting any data** that you may have as far as **hybrid/variety performance on your farm**. Many of you conduct trials and side-by-sides on your own that we may not know about. We would like to collect as much local data as possible in order for us to evaluate what has happened in 2007 and to make the best possible recommendations for each of your fields for 2008.



