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Newsletter Spring 2022



SUPPLY CHAIN CHALLENGES

Where to start....

Chemistry: The shortage of certain products in the crop protection markets are very real. We as a nation and an industry have painted ourselves into a corner with over 65% of the active ingredients in the products we use being sourced from china. So just as we are short of microchips for making vehicles we are short some of the ingredients for making chemicals.

Metolachlor, for instance, is a product we have used extensively over the past several years. The manufacturer that we have used is on schedule to make 0 this year because of a missing ingredient. This is very typical of a lot of products this year. Therefore, we have decided to use acetochlor on corn this year and we actually have it in our warehouse right now. This may be true on other products going forward as well.

Some products are being priced the date of shipment to us so it makes it hard to price

things ahead of time. Even products we were promised at a certain price are coming in over that level. We, unfortunately, will have to pass these costs on. Glyphosate is an example of one of those products. Bayer came out a few weeks ago claiming force majeure on Roundup contracts overseas. We have been assured that it won't affect this years' production in North America. That being said we also were told that Glyphosate acid had dropped in price that week but is now back up! Hmm....

We feel confident that we will be able to control weeds this year maybe just not with the same plans.

Fertilizer: I'm sure everyone has heard that fertilizer prices are up and that is very true. The world we live in is a global market and that is what we need to pay attention to now. The giant ocean-going vessels can haul so many tons at a time that the freight cost from across the world can be a small part of the price. Keep in mind that the US is still a net importer of fertilizer products. The war has affected pricing with some producers pulling all offers.

We have on site most of the fertilizer that we have sold and contracts on the rest. Commitments are the name of the game this year because no one wants to own unsold product. That starts with us, then wholesalers, then producers. In season purchases will be hard to come by.

DICAMBA UPDATE



As we prepare for the 2022 planting season which is just right around the corner we want to give you the latest updates on applications of dicamba in soybeans. Most of the federal and state regulations have not changed from the previous year but we still feel it is important to make sure everyone is on the same page when it comes to dicamba.

- Engenia / Xtendimax / Tavium are the only 3 labeled products for use in dicamba tolerant soybeans.
- Dicamba Tolerant Crop Application Timings
 - Engenia- preplant up to June 30th
 - Xtendimax- up to June 30th or R1, whichever comes first
 - Tavium- up to June 30th or V4, whichever comes first.
- Both private and commercial applicators need to complete annual dicamba specific training.
- Only apply one hour after sunrise until two hours before sunset
- DO NOT apply during a field level temperature inversion
- Iowa has a state specific requirement that records must be kept for 3 years (commercial applicators) or 2 years (private applicators)
- Wind speed 3-10 MPH

Please follow all federal and state regulations, there is more to the label we just wanted to highlight some of the main points.

- Uses have been removed from the new registration.
- Certified applicators must do their state mandatory certification to be able to spray Engenia, Xtendimax or Tavium.
- Sensitive Areas- leave 240' downwind buffer (changed from 110') to sensitive areas (non-residential, uncultivated areas and bodies of water)
- Endangered Species- Leave 310' downwind buffer in counties with endangered species with 57' buffer on all other sides of the field.
- Always read and follow label instructions.

COLORED SEED TAGS

As our 2022 growing season approaches, we will be taking some extra precautions when delivering or picking up soybean seed. We are implementing colored stickers that we will place on seed boxes and pallets to help identify what trait of seed you will be receiving.

BLUE = **E3 Enlist** (2,4-D & Liberty & Roundup)

ORANGE = **Xtend** (Dicamba & roundup)

YELLOW = **Xtend Flex** (Dicamba & Liberty & Roundup)

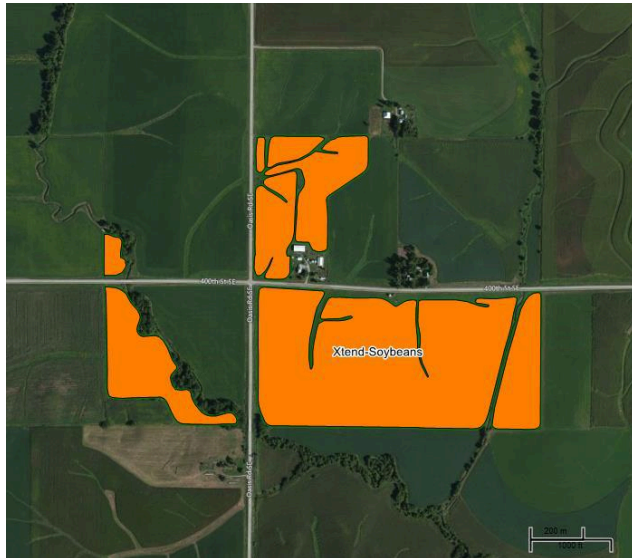
O'TOOLE COMPANIES SEED & TRAIT AUTHORIZATION AND WAIVER AGREEMENT

New for this coming year, our insurance company is requiring us to document what trait is planted in each field and obtain a signed waiver agreement verifying that the information we have documented is correct

We will be requiring our growers to sit down with our sales team and make maps that will identify farms, fields, and what crop trait is planted there.

Due to all the different soybean traits being planted, and commodity price at an all-time high we just need to take these extra steps to protect these crops, our growers, & ourselves.

Example Seed Placement Map:



GROWER 360

Grower 360 is an overview of your grain and agronomy operations that you can access at home or on the go. This online tool allows growers to have access to a variety of things that impact their business. Here are a few reasons why you should use Grower 360 to help manage your farm operations.

- Check prices at every location with up to the second pricing, including futures
- View updated scale tickets daily, no more missing tickets in the truck cab
- Keep track of contract delivery dates, open contracts, and filled contracts
- Track bushels in storage
- View invoices, checks, and bills electronically

- Check account balances like prepay funds or amount owed
- Application updates. Receive an email notification when an applicator completes a job on your field with time, date, and products applied
- Field feature, where you can split scale tickets into separate fields making yield tracking and insurance reporting more streamlined

Grower 360 is designed as an easy to use site that can be ran from a combine seat with any smart device or computer. Users have more access, and easier access to account information than ever before. Grain customers must have an account with Nichols AG, while Agronomy customers have to have an account with their retail location. Talk with your trusted advisor about signing up.

We will also have a booth setup at the customer meeting to get you signed up before spring!

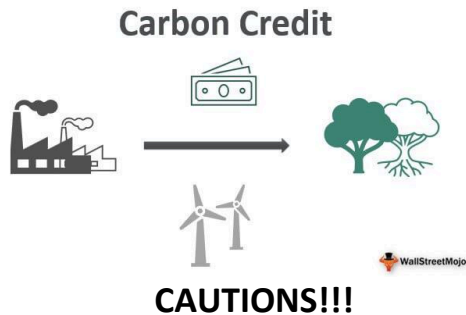
INTRODUCING JEFF BULECHEK GRAIN MERCHANTISER

I grew up on our family farm near Frytown Iowa. I was an active member of FFA and 4-H through high school before attending Kirkwood.

My brothers and I still run a small-scale row crop operation that features roughly 100 commercial simm/angus cows with a handful of show calves for my nieces to show through 4-h and FFA.

My first-hand experiences in our operation have taught me how important it is to market well, work hard, and pay attention to detail. My approach to marketing grain is built off of that foundation, it's important to capture profit while minimizing missed opportunities

regardless of the size of the farm. We look forward to working with you and developing a successful plan for your operations.



The latest buzz in the world is climate change and reducing emissions to our atmosphere. Carbon Credits are a way for large companies to offset their carbon footprint and put some money into the pockets of sustainable farmers. Farmers who are utilizing practices like no-till, strip till, and cover crops qualify for these payments.

Carbon sequestration is a process where CO₂ is captured from the atmosphere by plants and stored in the soil. One Carbon Credit is equal to one metric ton of stored carbon. There are many companies offering contracts to farmers and paying them a dollar amount per acre. It can range from \$10-\$30 per acre.

As your trusted agronomy advisors, we would like to **caution** you on blindly signing up for Carbon Credit payments. There are many different types and lengths of contracts available. For example, some contracts require a field check by a 3rd party to confirm farming practices, (tillage or cover crops) while others require growers to release yield data.

Carbon Credit payments are a good thing for farmers but, they can come with baggage. We advise you to read the fine print and talk with

your agronomy advisor before signing up for these programs.

CUSTOMER MEETING DATE CHANGE!

Remember we changed the date of our annual meeting to Thursday March 24, 2022 at the Rendezvous in Muscatine, IA. Happy hour starts at 5. We hope you can join us!



PROPANE VOLITILITY CONTINUES

Saying the 2021/2022 propane market has been extremely volatile is an understatement. The inventory in the US is at an 8 year low and does not look to improve for the summer or 2022/2023 winter season. We continue to monitor the market for opportunities to purchase summer fill and winter contracts at a reasonable price as possible considering the current US and world situation.

TREE SAP SHORTAGES WORSEN IN THE US

Due to a continued US shortage in Tree Sap we have changed our offering for dust control this year to two products.

We offer offer a Calcium Chloride Product only. This product attracts moisture and is produced from a natural brine deposit found underground so it is also safe for the environment.

The second product is a Tree Sap/Calcium Chloride product blend which gives you the benefit of both product characteristics.