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Winter Newsletter 2021



FERTILIZER TRADING – NITROGEN HEDGING

As you know this year was a hard year to predict fertilizer pricing. We tried to hedge nitrogen fertilizer for 2022 using our nitrogen program. We had placed an offer to buy nitrogen fertilizer on paper. These markets don't trade like your regular grain markets. They are not as transparent and far less liquid.

Our offer was put in right before hurricane Ida. We didn't get it traded. Over that weekend it traded \$40 dollars higher and then to \$400 higher in the next month as a series of black swan events took place.

We will try again in the future but it is really important that we get solid offers from the growers once we advise for a purchase. Considering the future volatility we are certain to face, these hedging programs will become very important.

DID YOUR CORN FIELDS LOOK LIKE THIS?



This is Tar Spot

If you haven't heard there is a relatively new fungus that is taking over corn fields called Tar Spot. Tar spot is a fungal disease in corn that causes black specks to form on the leaves. Like other foliar diseases, the impact of tar spot depends on how early infection occurs and the severity of the infection. Severely-infected leaves at grain fill can limit sugar availability resulting in an inability to completely fill ears prior to black layer and an overall loss in kernel weight and yield. When photosynthesis is reduced because of a loss of leaf area, stalks may be cannibalized for sugars, which results in poor standability and lodging.

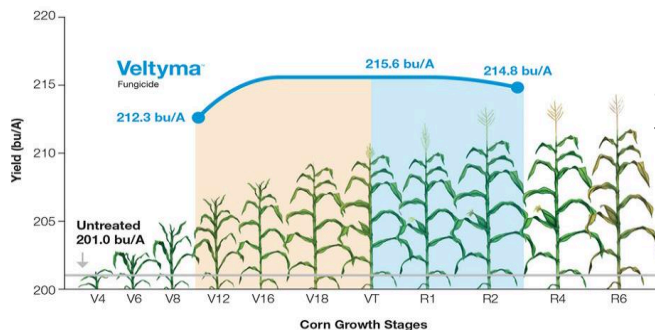
It appears that some hybrids will tolerate it one year and be totally overwhelmed by it the next. It's just too new and we don't have a solid data set yet for the seed companies to really know for sure. Therefore, even if your hybrid is rated for Tar Spot, it can be quite variable. As of right now the best thing you can do is spray fungicides and in some cases, you might have to spray twice. It all depends on weather conditions and timing of infections.

We expect to see tar spot every year from now on and want everyone to be prepared.

We have some very interesting data in our offices on Tar Spot and I would encourage you to talk to your local seed/chemical person to figure out your plan in case it shows up in your field.

Studies have shown it can cost you 60+ bushels per acre depending on when it sets in and how severe it gets. It's not if but when with this one so being prepared is the best action!

NOT ALL FUNGICIDE CHOICES ARE EFFECTIVE AGAINST TAR SPOT!



Not all fungicides are effective against tar spot, our corn fungicide of choice is Veltyma.

Veltyma from BASF is a premium fungicide with a wider application window from V10 to R3. With a long residual of 55+ days, it gives us the advantage to apply before tassel and protect your corn crop from not only tar spot, but also other common diseases including gray leaf spot, northern corn leaf blight, and anthracnose.

Ask us about adding Veltyma fungicide to our crop protection plan.

Seed & Chemical Financing

Our companies offer prepay financing for seed and chemical products.

John Deere Financial and Rabo Financing offer interest rates ranging from 0% to Prime -1%. Signup is easy and can be done in minutes.

Chemical products from BASF, FMC, and Helena qualify for JDF along with Dekalb and Asgrow seed. NK seed can be financed through Rabo. These programs help with cash flow, capture prepay discounts, and payments aren't due until the fall of 2022.

Speak with your agronomy advisor about financing options during your prepay planning.

REMAINING SEED DISCOUNT DATE
February 18, 2022 – 6 %

PREPAY FERTILIZER & CHEMICALS
NOW THROUGH JANUARY 10, 2022



PRODUCTS & PRICES

Where to start.....

Nitrogen products: As a company we have our supply of UAN in our tanks and most of our Urea locked in for 2022. That being said it is not cheap but there are multiple factors involved:

1. There are few Nitrogen manufacturers and they can manipulate the market.
2. There are political things in play such as the pipeline that was allowed to be finished in Europe drove their Natural Gas to record levels \$30 per mm btu which usually runs from \$2.50 to \$5.00. (That gas cost equates to \$1,100 Ammonia with no electricity or facility costs figured in.) This shut down N production plants in Europe. In addition, China has shut off fertilizer exports until June 2022 and they produce over 30% of the world export market.
3. Last springs cold spell caused damage to US plants that carried over to summer.

4. Our government has implemented duties on imported N, P & K.

Believe it or not \$1,500 Ammonia evens out to normal spreads with UAN and Urea pricing per unit of N. It's a world market so it ALL makes a difference.

Chemistry products: It looks like a few products are on the short list such as glyphosate (Roundup), glufosinate (Liberty), metolachlor and 2, 4-D.

Most of these shortages are being caused by supply chain missing one ingredient or another and also in the case of Roundup production was affected by the hurricane that hit Louisiana.

In my opinion Chemical companies are trying to get more money than they did in 2008. We have been assured that our current suppliers will come through. In the event they don't there are alternative strategies we can employ such as rate changes, timing of application, different products from normal or even splitting applications.

Sign up For Grower 360

We are now using software in our machines that syncs with our accounting and mapping systems. When we complete a custom application and we have your email in our system, you will receive a message with a picture of the field that was custom applied along with the products applied to that field. Grower 360 allows you to see invoices, prepay, and scale tickets. It's very simple to sign up and only takes minutes. Ask your local sales person about it.



WEATHER TRENDS OUTLOOK FOR THE 2022 GROWING SEASON

Overall 2022 looks to be an average temperature year for the growing season with March and April being above average moisture which could cause a few planting delays. May and June are both below average moisture. July is predicted to have average moisture and August looks to be above average moisture. If this all is true then it would help make the crop great in 2022. Time will tell of that pans out once again.

ANNUAL CUSTOMER EVENT

The tentative date for our annual customer event is March 10, 2022 (at the Rendezvous in Muscatine, IA). We do have a commitment from the speaker we planned to have past two years, Damian Mason.



Check out his website at:
www.damianmason.com for more
information!



We finally are seeing a drop in propane prices. This is because there was essentially no dryer gas used during harvest and a very warm October and November not to mention quite a bit of warmth already in December and another predicted warm up the third week of the month.

Since this is the first real price drop we've seen since August it would be a good time to call our office (319-726-3103) and top off your tanks! If you have contract or budgets we are still continuing to monitor/fill your tanks as needed.