



Ag Biz Briefs

Growing Relationships to Maximize Success!®

2017 Spring Edition

IAS Board of Directors

Randy Blake, President	LeAllan Buerger
Paul Cook, 1st Vice President	Tim Burrack
Steve Perry, 2nd Vice President	Adam Hill
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Spring Update

Rick Vaughan, CEO

Greetings all members and customers. Spring has arrived. We are waiting for things to dry out as of this writing. Hopefully when you receive this, corn planting is done and beans are finishing up.

The IAS Board of Directors actively engages in strategic planning. Each monthly board meeting agenda includes vision and strategy as one of the first agenda items for discussion. Traditionally we have dedicated more time to strategic planning than each monthly board meeting allows by committing to a several day off-site session every other year. This off-site session provides the opportunity to 1) invest more time on several given subjects that need more attention than a normal monthly board meeting allows, 2) provides an environment for board members to spend time together to interact with each other and build better relationships that will carry over into the boardroom, 3) provides more time for the board and management to discuss, evaluate and agree on anticipated challenges and 4) provides the board an opportunity to spend time with the staff.

My past attempts to orchestrate this process locally resulted in missing board members for partial sessions including dinners due to

going home for chores, ballgames, and/or other events. That inconsistency in participation disrupts full board input, discussion, understanding and agreement across the board spectrum. I can attest there is better commitment and engagement to the tougher longer term decisions when this time is periodically invested off-site.

This year, we traveled to Panama and Argentina. Similar to our trip to Brazil in 2004, (which did not include any of the current IAS board members), we felt a further reaching exercise to see and evaluate our competition first hand had value. Argentina is trying to open its economy to the wider world and transition from its protectionist practices of the last 20 years. We heard firsthand the optimism of agriculture and better understand their growth opportunities and limitations. Argentina's biggest challenge will be the pain of change in the short run and their society's appetite to withstand the short term pain for the longer term gain. Sound familiar?? Their agriculture suffers similar challenges we do with high capital costs, high land costs/rents relative to output values, economic returns overriding agronomic returns in rotations, rural decline due to consolidation and challenges of support with their urban society who is further distanced from agriculture every year. We all agreed we prefer our

US inflation structure (not 40%), our better access to credit, our better infrastructure, our historical legal system of courts and enforcement, our less government overhead cost and our improved speed of access to technological change.

We do see Argentina as a formidable competitor in the world markets. While they are "behind" in some areas, they are committed to improving those deficiencies. The current political direction is encouraging for improving their society longer term. The challenge will be the voter commitment to the long term in the upcoming mid-term elections. We have posted information and pictures on our web site for your reading pleasure. I would encourage you to engage your IAS elected leadership in their first hand opinion of that they saw and their interpretation of the competitive agricultural spread between Argentina and the US.

Please allow me to outline one of the implementations of the investment in longer term thinking, detailed discussion and decision making (strategic planning). I trust you have read my previous articles about the challenges of the business both today and looking forward. One thing I have not discussed directly is the subject of the age and condition of some of our grain division infrastructure

and the cost to recapitalize improvements. More importantly is the lack of returns to the capital investment cost with the current margin structures in the marketplace. In all of our geography, end user buying preferences and grain production economics are reducing grain margins and reducing non fall grain bushel volumes through certain facilities. If you combine these market factors, with the increasing cost of refurbishing these older facilities, the economics do not work. Continued reinvestment in grain assets under these conditions detracts from the future financial health of the organization including the cash flow

Innovative Advanced Starter

Ron Fedeler, Agronomy Sales Advisor

As I sit here waiting for the rain to end and the fields to dry out, I thought it would be a good time to talk about starter fertilizer. There are a lot of different starters on the market and it sometimes gets confusing trying to sort out what is best for your situation. About 3-4 years ago, we at IAS decided to go with our own branded starter. It is a 9-15-4S-.5zn-.5mn. It will give your crop balanced nutrients from emergence to V4 resulting in a more even stand and earlier emergence. It is also seed safe to go right in the seed furrow at 5 gal per acre. Some of the advantages are earli-

needed for capital improvements at specific locations, reinvestment in our other divisions and respectable equity redemption. We are investing additional time and looking further into the future to determine which locations make sense for reinvestment and which ones do not.

If you are retired or near, this subject can be frustrating. I understand. If you are early in your farming career, you are asking why this process must take so long. I understand that too. The board and management will continue to work hard to balance those differences in our customer

base. And to invest the large amount of capital we do each year with the proper balance for each division and each geographic area in our organization.

Have a safe and productive spring!
And Thanks for your business!!

er tassel, drier grain, early plant vigor, more uniform stand and better stress tolerance in cold and wet soils. Our Innovative Advanced Starter also has Sulfur, Zinc and Manganese with it for the essential micronutrients to get your crop off to a good start.

Along with that, our Innovative Advanced Starter Plus has Avail in it also to make your Phosphorus more available to the plant.

Our Innovative Advanced Starter is a blend of 40% Orthophosphate and 60% Polyphosphate. Plants can only consume phosphate in the ortho form. It takes 5 to 10 days for the poly to convert to

ortho in 50 degree or higher soil temperatures. This conversion will spread out the uptake a little longer.

Also just a reminder that it is a good time of year to get caught up on your grid sampling needs if you are due for sampling. If you have any other questions about our Innovative Advanced Starters, please get in touch with your local IAS agronomist. Thanks for your business and let's have a safe spring planting season.

Do Different Planting Populations or Nitrogen Rates Matter on Different Hybrids?

Zach Fagan, East Region Seed Sales Specialist

It's finally that time of year again when pretty much every tractor and piece of equipment each grower has is put to work. This time of year brings its share of challenges as well as great opportunities. While we all want to produce the biggest crop we possibly can while spending our precious input dollars wisely, are we taking the time to realize what each different hybrid on each field has the capability to do? Or are we taking the easy way out and just planting at our standard populations and applying the same amount of nitrogen we always have?

One of the tools that our IAS sales people have at their fingertips is the R7 tool which gives us a huge advantage when deciding populations and nitrogen rates on different fields and hybrids. The first part of the R7 tool I will talk about is the response to population piece. In the Answer Plots, they have characterized the vast majority of the newer Dekalb, Croplan, NK, and even Pioneer Hybrids. By this I mean they plant each hybrid at 3 different populations, a low (24k), medium (34K), and high (42K) and then replicate this eight times at each and every plot. From this data they not only look at the yield advantages/disadvantages but also the stalk

integrity and root mass, since every hybrid responds differently.

Two examples of very common hybrids and their respective responses are Dekalb 54-38SS RIB which has a response score of 4 to population and Pioneer 1197AMXT which has a 9. The higher the score means the better it responds to that treatment. These numbers tell us that the DKC 54-38 does not respond to a high population, so why do we need to plant it at high population? It may actually decrease our yield if we push it too hard and cost us unnecessary expenses? The Pioneer 1197 AMXT's response score of a 9 means it really responds to population, so we need to push it more than our normal 34K to get those added bushels that go to our bottom line at the end of the day.

The second rating system in the R7 tool that is very useful is the Response to Nitrogen Scoring. This information starts a very good baseline for our hybrid selection on each field. Is this field very high organic matter, very good manure history, high fall nitrogen application rates? If we have a field that is very high in N, do we put a hybrid out there that really doesn't respond to high nitrogen rates? Or do we pick the right hybrid that will get the most

return on investment for us. The same hybrids I talked about earlier, the DKC54-38 and Pioneer 1197 AMXT have very different responses to N. The DKC 54-38 has a 1 rating for response to nitrogen and the P1197 AMXT has a 9 rating. This tells us that the DKC 54-38 will typically not give us much of a response to pushing our nitrogen to high levels and incurring us additional costs that will not give us a good Return on Investment (ROI). The P1197 AMXT with the 9 rating however should give us a very good ROI, considering the N response rating and our need for additional planting populations with this particular hybrid.

Give your local IAS Agronomy Advisor a call to work through your current planting intentions to determine if we are putting dollars where they make the most sense or not putting them in the correct places. We have the access to the information of the different brands we sell as well as the Pioneer Hybrids. If it is too late for some of the decisions it will certainly help with our later and final applications of nitrogen, helping answer the infamous question of do I need to side-dress more N?

Agronomy Update

Tim Krausman, VP of Agronomy

I would like to start off by saying thank you for your business! One of our core values in our purpose statement is “Exceptional Customer Experience” and we hope we are following through on that. This spring is off to a great start. Like always we will have challenges due to weather and the speed in which a crop can be put in the ground, but we feel like we are sitting good after the first ten days of April. Acre shift seems to be variable throughout our territory with some areas growing a much higher percentage of soybeans and others staying status quo with their rotations. Overall, soybean acres appear to be taking some of the corn and wheat acres in the US. It will be interesting to see where this ends up by the time we are done planting.

Our agronomy strategy of Inno-

vative Advanced solutions continues to be our focus, or maximizing each individual acre of each of the growers we work with. We believe this allows for the best profit for our growers and the best possible partnership between IAS and the grower. Sustain practices (Maximizing each unit of fertilizer), value added products, and best practices are components that will drive profit at a level at or above cost of products. Unfortunately we can't change the grain prices, but we can do our best to make recommendations in maximizing yield for all acres.

One of the hot topics today is the use of Dicamba on soybeans or Xtend beans. They have their fit in a total agronomic system and I want to send a reminder to follow the label when utilizing this and

all herbicides. The new labels are challenging in terms of getting the product applied, but useful to help ensure proper usage and long term efficacy of the product and other products planted near these fields.

Fertilizer volatility continues to challenge us every day as the markets are not necessarily acting as they have historically in terms of price increases and decreases. We continue to monitor and react with the knowledge we have from the grower level and the demands of the product at the time. The good news is that there is a good supply of fertilizer in the world to allow us to grow top end yield crops.

Again, I would like to say thanks for your business and have a safe and prosperous spring!



Spring Nitrogen & Stabilization

Dustin Haberkorn, Agronomy Sales Advisor

As corn plants mature throughout the season, their source of nitrogen can be lost due to leaching and denitrification. If nitrogen is no longer available for the plant to use, the plant begins to absorb the nitrogen contained within its own leaves and stalk.

When the plant is absorbing nutrients from itself, it's also making sacrifices, such as reducing the supply of nutrients to lower leaves. These leaves begin to turn yellow, shrivel to a fraction of their normal size and eventually drop, a process referred to as "firing."

It's normal for lower leaves to die as corn plants mature, but excessive firing is a visual symptom of nitrogen deficiency. Once cannibalization begins, the corn stalks are weakened and more susceptible to stalk rot and yields

can be significantly reduced.

In the past, growers would apply additional nitrogen to make up for the expected losses from leaching or denitrification. We now recommend applying only the amount of nitrogen the corn plant requires to fulfill its yield potential and then inhibiting the loss of that nitrogen by using a nitrogen stabilizer.

By inhibiting nitrification, stabilizers make the most efficiently used forms of nitrogen available longer for plant uptake. This helps make the best use of a grower's fertilizer investment, while reducing nitrate leaching and greenhouse gas emissions.

Here are types of nitrogen losses: 1) **Leaching**, is the loss of nitrates from the soil below the root zone due to rain and irrigation. Since soil and organic matter also are negatively charged,

the nitrates are repelled and can be easily washed away, especially in coarse, sandy soils.

2) **Denitrification** refers to the loss of nitrogen when soil microbes convert nitrates to gaseous forms that can escape into the atmosphere as a greenhouse gas. Denitrification affects only nitrates, not ammonium.

With a little help from your local IAS Agronomy Adviser, you can make your nitrogen more efficient, last longer in your fields, be more readily available, get a better return on your investment, and all while at the same time trying to be a more sustainable grower/farmer.



Energy Update

Randy Swenson, VP of Energy

Hello, from your man with gas!

Recently, Crude Oil prices have been on the upside of this roller coaster. Crude stocks at Cushing, OK have reached a new record high, which in turn puts a little pressure on the WTI (West Texas Intermediate) market by keeping it range bound. Crude and refined fuel prices have been moving higher recently as the U.S. moves into the spring season, but high inventories are keeping the oil market from having free reign. Brent crude (North Sea) has been maintaining a \$2.50- \$3 premium over WTI crude for the last three months, drawing support from unpredictable production and exports from Libya, the civil war in Syria, the U.S. missile attacks in Syria and random terrorist acts in Europe and the Middle East that create more uncertainty for all the global markets. Along with the aforementioned, Saudi Arabia now says they would like to see

the production cut deal extended for 6 months beyond May, as long as non-OPEC producers are willing to join in as well. Don't expect the fuel markets to soften anytime soon.

The propane market has been more concerned about inventories which, over the last five weeks, have slipped under the five-year average. That has been supportive of price, as well as getting help from the crude price. It has been a few years (2014) since we have seen stocks at these levels, but propane export demand in 2014 was only ½ to 1/3 of what it is presently. Analysts focused intently on U.S. and global propane markets recently, and came away with the suggestion that U.S. stocks of propane could be drastically short of needs when next winter looms. As of this writing, IAS propane delivery men were out completing fills on customers that still have contract gallons left

for this season. The expectations of summer fill and next seasons pricing, will be higher than this past season due to what was just stated. Remember to keep in mind; we are all dealing with global markets and not just local anymore. The Midwest just came out of another warm winter and a below average corn dryer season, so you may ask "where is all the left over propane?" It's being shipped to the gulf coast where they can load it on vessels to ship overseas. Ye who bids higher will reap the propane volume. This will continue to affect our current markets in the future.

Once again, I would like to thank all of you who have been loyal to the group of employees who strive to do their best for their customers and their friends. Personally, I can't think of a better group to work with. Have a safe spring!



Grain Update

Ron Barkema, VP of Grain

At the time of this writing we are well on our way with the application of NH₃ and dry fertilizer. Hopefully the weather cooperates and all of you can get your corn and beans planted timely.

USDA was just out with their monthly supply/demand report. Not much for supportive news came out of this report. They made offsetting adjustments to the corn feed and ethanol usage. Up 50 mln bushels on ethanol and down 50 mln. bushels on corn for feed. Corn carry-out unchanged at 2.32 billion bushels. The soybean complex saw most of the bearish news. Carryout increased to 445 mln. bushels. Trade feels like short term support in the \$9.50 area on November beans but longer term when you factor in the South America crop and a normal planting season in the states we could easily see beans fall \$1.00 per bushel from current values. With the lethargic trade that we have had the past several weeks and now planting season

underway the US farmer has put the thought of selling additional bushels on the back burner. On more of a positive note we are in the time of year that we typically see a seasonal bounce in the market. The current fund position is holding a near record short position in corn and managed money typically covers that short position between the last half of April and the first half of July. The trade feels that it will be hard for managed money to hold onto a short position given the forecasted decline in acres and production.

Another positive note to the corn market is the gradual increase in export business. The lower corn prices are creating additional interest as time goes on.

The capital projects for the summer are well on their way. One project that will have a big impact on corn demand in the Hardin County area is the Pine Lake Corn Processors expansion of the ethanol plant. As you know PLCP is owned by IAS and this expansion

will increase their corn usage by over 15 million bushels. IAS sources all the corn for the plant and is currently researching the impact it will have in the area and were the majority of this additional demand will come from. PLCP and IAS are excited about bringing this additional demand to those customers in the surrounding areas and will keep you informed on the progress of this expansion as the summer progresses. Current completion of this expansion is slated for September of this year.

IAS anticipates a very busy shipping schedule the balance of the year. The marketing window is gradually going shut for this season so please give us a call and let us help you develop a marketing plan that best fits your farming operation. As always we appreciate your continued grain business with IAS. Thank you and have a safe spring.



Feed Update

Mike Duncomb, VP of Feed

Over the past few months, we continue to producer ample supplies of meat, milk, and eggs. Fortunately demand and exports have been very good. On the feed input side of the equation, supply of feed grains has also been good keeping a lid on feed costs. It is hard to over emphasize the importance of exports in today's livestock business. The strong dollar and some of the current uncertainties are keeping us a little on edge (economic, trade, foreign policy). As we move into spring and summer months, it appears demand should continue to be strong with feed input costs steady to lower, maintaining the marginal profitability currently in the livestock business.

Your feed business continues to work on updating the infrastructure within our current facilities to drive increased efficiencies.

After the significant updates over the past few years, we will be doing some fine tuning and replacement of current equipment. We are planning to update the primary feed mixer at the Cuba City Feed Mill and will be increasing the grinding capacity at the Hubbard Facility. We have continued to update the feed delivery fleet along with working through a few major repairs from accidents this winter.

It is the time of year when we do a significant amount of planning with our sales team. We will be working with the different specie groups to update and develop business strategies and budgets for the upcoming fiscal year. In the swine area, we will be working to improve our ability to help our independent producers source and place pigs for their operations along with providing manage-

ment tools to assist in decision making. In dairy, we will continue our focus in the calf and heifer area along with building our lactation feed business. The Beef Team is working to build our branded feeds and especially the consulting services brought to the farm gate. Input is always welcomed.

Finally just a quick business update as we are half of the way through our fiscal year. Currently feed business volumes are down slightly with local savings behind last year and a bit under budget. We have experienced a few out of the ordinary expenses the first half of this fiscal year with plans to finish the second half of the year on a stronger note.



Feedlot Vision Summary

Dave Rueber, Beef Production Specialist

In review of 2016, bottom line is that most of the cattle lost money. 830 lots of cattle were submitted this year, that equated to 136,215 head. This broke down into 101,746 steers, 18,319 heifers, 10,693 Fed Holsteins, 3,749 head in mixed sex pens and 1,708 head of backgrounded cattle.

***2016 vs. 2015 Highlights <700 lbs. steers**

- *\$38.21/cwt decrease in purchase price in 2016 vs. 2015
- *\$209.46/hd less in total purchased price vs. 2015
- * 18 lbs. heavier end weight and 12.64 lbs. heavier purchased weight
- *Very similar feed cost in 2016 vs. 2015
- *-\$183.14/hd. change in profitability (+\$3.44/hd. in '15 vs. -\$179.70/hd in '16)

***2016 vs. 2015 Highlights 700-800 lbs. steers**

- *\$50.97/cwt decrease in purchase price in 2016 vs. 2015
- *\$397.34/hd decrease in total purchase price vs. 2015
- *Only 7 lbs. heavier sale weight
- *Only -\$2.02/cwt drop in feed cost in 2016 vs. 2015
- *-\$53.52/hd. change in losses (-\$58.05/hd. in '15 vs. -\$111.57/hd in '16)

***2016 vs. 2015 Highlights 800+ lbs. steers**

- *\$40.73/cwt decrease in purchase price 2016 vs. 2015
- *\$361.82/hd decrease in total purchase price vs. 2015
- *-8.4 lbs. in finished weight vs. 2015
- *Only a -\$1.32/cwt drop in feed cost in 2016 vs. 2015
- *-\$9.70/hd. change in losses (-\$100.70/hd. in '15 vs. -\$110.40/hd in '16)

***2016 vs. 2015 Highlights <650 lbs. heifers**

- *\$37.52/cwt decrease in purchase price 2016 vs. 2015
- *\$204.94/hd. decrease in total purchase price vs. 2015
- *47 lbs. increase in end weight vs. '15
- *\$0.26/cwt increase in feed cost in 2016 vs. 2015
- *-\$108.85/hd. change in losses (-\$33.08/hd. in '15 vs. -\$141.93/hd in '16)



*2016 vs. 2015 Highlights >650 lbs. heifers

*\$45.36/cwt decrease in purchase price 2016 vs. 2015

*\$375.92/hd decrease in total purchase price vs. 2015

*-18.8 lbs./hd. drop in start weight and -6 lbs. in finished weight '16 vs. '15

*-\$0.98/cwt drop in feed cost in 2016 vs. 2015

*-\$4.88/hd. change in losses (-\$121.56/hd. in '15 vs. -\$126.44/hd in '16)

*2016 Holstein steers

*All Holsteins were grouped together this year vs. splitting them out in <600 lbs. start weight and >600 lbs. start weight.

2016 Feedlot Closeout Analysis from Feedlot Vision	Steers						Heifers			
	<700		7-800		>800		<650		>650	
	Top 1/3	Ave.	Top 1/3	Ave.	Top 1/3	Ave.	Top 1/3	Ave.	Top 1/3	Ave.
# of pens	44	124	43	122	132	358	12	44	24	82
# of cattle	7,623	20,397	7,986	21,768	21,432	59,581	1,270	5,608	3,541	12,711
Purchase price/cwt	\$ 203.75	\$ 215.94	\$ 171.98	\$ 177.88	\$ 164.23	\$ 168.71	\$ 184.94	\$ 192.30	\$ 165.17	\$ 166.08
Pay weight in	633	629	747	753	900	893	556	573	719	741
Sale pay weight	1,435	1,435	1,465	1,463	1,487	1,482	1,280	1,284	1,321	1,317
ADG	3.51	3.22	3.59	3.39	3.79	3.50	2.71	2.61	3.14	2.86
Days on feed	225	250	197	208	153	167	269	272	192	202
Dry matter F:G	6.27	7.03	6.36	7.03	6.55	7.27	7.21	8.10	7.09	8.07
Feed cost/cwt of gain	\$ 47.51	\$ 51.81	\$ 46.37	\$ 50.57	\$ 48.50	\$ 52.99	\$ 52.04	\$ 59.09	\$ 53.66	\$ 59.68
Vet & med cost/cwt of gain	\$ 3.13	\$ 2.51	\$ 2.23	\$ 2.09	\$ 2.95	\$ 2.42	\$ 3.23	\$ 2.59	\$ 3.70	\$ 2.59
Yardage cost/cwt of gain	\$ 8.57	\$ 9.29	\$ 8.20	\$ 8.69	\$ 8.19	\$ 8.64	\$ 11.51	\$ 11.78	\$ 9.49	\$ 10.45
Interest cost/cwt of gain	\$ 5.18	\$ 6.22	\$ 5.53	\$ 5.71	\$ 5.21	\$ 5.81	\$ 6.24	\$ 6.50	\$ 6.79	\$ 6.87
Non-feed cost/cwt of gain	\$ 12.32	\$ 12.42	\$ 11.36	\$ 11.31	\$ 12.05	\$ 11.51	\$ 15.58	\$ 15.21	\$ 13.76	\$ 13.74
Total cost/cwt of gain	\$ 59.83	\$ 64.23	\$ 57.17	\$ 61.69	\$ 59.89	\$ 64.25	\$ 67.62	\$ 74.29	\$ 67.18	\$ 73.35
Breakeven \$/cwt	\$ 126.57	\$ 133.90	\$ 118.58	\$ 124.83	\$ 124.65	\$ 129.34	\$ 122.26	\$ 130.96	\$ 123.22	\$ 128.62
Death loss	1.53%	1.59%	0.87%	1.03%	0.45%	0.71%	1.84%	2.83%	0.94%	1.28%
Net sale price/cwt	\$ 119.72	\$ 121.65	\$ 115.38	\$ 117.28	\$ 121.59	\$ 121.96	\$ 117.30	\$ 119.84	\$ 117.32	\$ 118.93
Profit/loss per animal	\$ (107.25)	\$ (179.70)	\$ (47.23)	\$ (111.57)	\$ (47.00)	\$ (110.40)	\$ (63.03)	\$ (141.93)	\$ (77.41)	\$ (126.44)

Benefits of Bench Marking Calves

Stephanie Jentz, Dairy Production Specialist

Over the last few months our IAS Dairy Feed Team has been working diligently to revamp our calf feeding programs. Research has proven that healthy, well developed calves will perform for the producer when they reach lactation. Feeding calves proper nutrition can also help decrease the incidences of disease and illness. To aid in developing healthy calves, we at IAS, purchased new calf scales for all IAS locations to access. These scales are specifically designed to weigh calves, from birth to weaning. Weighing calves when they are born, and again at weaning, can provide producers with some imperative information. An example of this is average daily gain (ADG). Calculating ADG, whether it's on a dairy or beef operation can help a producer

estimate their cost per pound of gain. Once a producer has bench marked how their calves are performing they then can better evaluate their calf program. Are your goals being met? Are you happy with your ADG? An IAS feed team member can help to assist you in bench marking, as well as setting goals to improve your calf program.

In the dairy industry, we focus a great deal on the frame and size of an animal, specifically with heifers. An additional benefit to bench marking your calves is we can assist you with tracking their hip heights. Documenting hip heights will better allow us in tracking the animals frame. Now, we understand every farm is different when it comes to areas such as age at first breeding because some producers decide based on months of age,

whereas others go by weight or even hip height. All of which are great indicators as to what to breed off of. Our goal at IAS is to help you maximize those requirements and reach the goals you have in mind for your operation.

Whether you feed whole milk, pasteurized milk, milk replacer, a 22%, 18% or 16% starter we are able to help you formulate a calf feeding program designed for your farm's needs. Your IAS representative can assist you in setting goals tailored to your operation and work with you to achieve them. It goes back to what I tell my producers, "If you take care of your calves now, then they will take care of you later".



Pelleted vs. Meal Diets: Potential Advantages

Steve Wagner, Swine Production Specialist

Today many producers pelletize swine feed to gain advantages in performance and on farm management.

The most prominent potential benefits of pelleting swine diets are improved rate of growth and improved feed efficiency. A summary of eight research trials showed that on average, growth rate is increased by 6% and feed efficiency is improved by 6 to 7% by feeding pellets rather than meal. Additional research has suggested these benefits can be attributed to better nutrient

digestibility as a result of:

- Reduced feed particle size
 - Starch gelatinization
- a process that ruptures the starch granules and makes them more available for enzyme digestion. However, these responses are di-

rectly related to pellet quality. Varying levels of pellet fines in diets directly influence the response. In research trials, when the diet contained higher levels of pellet fines, the beneficial response of pelleting was lost. In addition to performance benefits, other benefits that could be realized due to pelleting are:

- Better feeder adjustment/space and flow
- Less feed wastage
- Less pig sorting
- The potential for greater energy due to available starch.

A trial at Purina Animal Nutrition Center confirmed these observations of improved performance due to feeding diets in the form of pellets versus meal during the nursery period and

throughout the grow-finish period. Pigs were placed in the nursery and fed the UltraCare® five-phase feeding program (see Table 1) in either pellet or meal form from day 21 to 49 post-weaning. (Note: that the first 21 days (Phases 1 and 2) all pigs received diets in the pelleted form.)

The results indicated:

Pigs fed the UltraCare® feed program products in pelleted form during phases 3, 4 and 5 had improved average daily gain (ADG) and feed: gain efficiency compared to their counterparts fed a diet in meal form. (See Figure 1)

Pigs fed pelleted diets were 3.1 lbs. heavier and 5.5% more efficient on average than pigs fed diets in meal form. (See Table 1)

Figure 1. ADG (in pounds) and feed:gain of nursery pigs fed the UltraCare® Feed Program Products in pellet or meal form

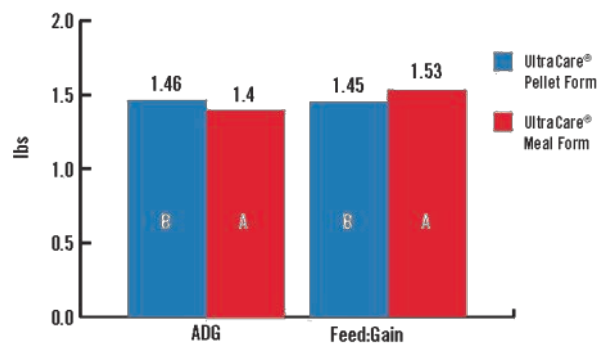


TABLE 1: WEIGHT OF NURSERY PIGS FED THE ULTRACARE® FEED PROGRAM IN PELLET OR MEAL FORM

	UltraCare® Pellet Form	UltraCare® Meal Form
Initial wt., lbs.	14.25	14.24
Day 6 wt., lbs.	15.6	15.7
Day 21 wt., lbs.	32.9	32.9
Day 33 wt., lbs.	54.5	52.7
Day 41 wt., lbs.	69.5 ^c	67.3 ^b
Day 49 wt., lbs.	85.8 ^c	82.7 ^b

* Values are means of 12 pens of 7 pigs each and represent a five-phase feeding program (UltraCare® 240 (6 d), 350 (15 d), 500 (12 d), 600 (8 d) & 700 (8 d)).

^{bc} Means in the same row with different superscripts differ P < 0.01

Operations Update

Brian Kramer, VP of Operations

I am quite often asked this time of the year “Are things starting to get busy?” and my first thought is usually “I never knew it slowed down!”. It has once again been a very active winter season in the Operations Department with logistical preparations, capital project planning, and personnel development. From my perspective there never seems to be an “off season”; rather a different kind of busy!

The winter months lend us the opportunity to devote time in evaluating ourselves and finding ways to improve upon our core strategies of our purpose statement. The past four months placed an emphasis in the areas of employee competency, financial understanding, and strategic logistical planning & tracking with our location teams.

As we enter into the spring agronomy season, several new capital items will be in place to better serve your needs:

Our Andrew and Cascade locations have additional warehouse space this spring after some late fall and early winter construction. Andrew’s maintenance shop and some warehouse space was lost in 2016 due to a tornado, rebuilt once again with an additional

2,400 square foot of space for warehousing needs in seed and packaged crop protection. A 3,000 square foot addition was added to Cascade’s warehouse which too provided them additional space for seed and packaged crop protection and eliminated the need for the rental of space to meet their needs. Both projects will allow for more efficient customer service and less trips moving inventory around.

Two pieces of custom application equipment have been updated in the Cleves and Faulkner areas. These new, more efficient, and reliable additions allowed IAS to “weed out” three older units from our fleet making us more efficient than before. Similar changes were also made to some tending equipment in those areas as well with the same, more efficient outcome.

Each year, IAS undergoes testing of our anhydrous ammonia nurse tanks which are required every five years by the Federal DOT. Each year, some units are removed from service due to not meeting strict standards that are required. This past winter, IAS has replaced multiple tanks and some gears in an effort to maintain our ability to service the customer.

Speed and space improvements to

your cooperative’s grain facilities will once again take place in 2017 at the Alden and Hubbard facilities:

Alden – An aging, labor intensive flat storage building is being removed and will be replaced by two 90’ diameter grain bins, each with a capacity of 515,000 bushels. A new 48’ diameter wet holding bin of 140,000 bushels will also be constructed. Two older receiving pits will be overhauled to create a pair of dumps that will allow both hoppers to be unloaded at the same time at a capacity of 20,000 bph each.

Hubbard – This facility once had six smaller, inefficiently filled and reclaimed grain bins that have been removed and will be replaced by two of 90’ diameter bins as well as a 48’ diameter wet holding bin for a total capacity of 1,170,000 bushels. A new 3,500 bph tower grain dryer will be added to the facility (which did not have drying capabilities before) as well as new receiving infrastructure. This construction along with the existing concrete workhouse and two annex tanks will better position Hubbard in receiving and handling the approximately three million bushels of corn the on-site feed mill will consume annually.

Investing in safety at our facilities continues to be an important emphasis. IAS has in the last two years and is continuing to improve our hazard monitoring of material handling equipment within our feed and grain facilities. By hazard monitoring we are referring to monitoring the hazards that can lead to costly equipment failures or dust explosions. Hazards like increasing bearing temperatures, belt misalignment and slippage, etc. can be detected earlier and repaired before dam-

age is caused. These capital improvements demonstrate your cooperative's commitment to our purpose statement's core strategies of "Exceptional Customer Experience", and "Continuous Improvement".

I welcome and encourage our patrons to provide IAS and specifically myself feedback on how well we are satisfying your needs throughout the year. Thank you for your continued patronage and have a safe spring season!



Before You Drive

Thatcher Block, Director of Safety and Compliance

Safety is the most important reason you inspect your vehicle, safety for yourself and for other road users. How safely you can drive starts with the condition of the vehicle you are driving. It is the duty of drivers to make certain the vehicles they drive are safe to operate. If you drive, your safety, and that of the public, depends a lot on what you do before driving. A pre/post trip inspection will help you find problems that could cause a crash or breakdown. You could have a breakdown on the road that will cost time and dollars, or even worse, a crash caused by the defect.

I highly recommend all drivers complete a vehicle inspection the same way each time so you will

learn all the steps and be less likely to forget something. Take notice of the general condition of the vehicle and look for damage or vehicle leaning to one side. Look under the vehicle for fresh oil, coolant, grease, or fuel leaks. Check the area around the vehicle for hazards to vehicle movement (people, other vehicles, objects, low-hanging wires, limbs, etc.). If you see, hear, smell, or feel anything that might mean trouble, check it out. It is for your safety, as well as the safety of everyone else on the road.

The vehicle inspection report tells us about problems that may need fixing. Take note and repair any items in the report that affect safety or possibly leading

to mechanical breakdown. Keep a copy of your report in the vehicle for one day. That way, the next driver can learn about any problems you have found.

Innovative Ag Services recognizes that our customers and employees are our most valuable assets and that they are the most important contributors to our continued growth and success. Thus, we are firmly committed to customer and employee safety and will do everything possible to prevent farm and workplace accidents.





Iowa Locations

Ackley	Hopkinton
Alden	Hubbard
Alta Vista	Independence
Andrew	Lawn Hill
Austinville	Manchester
Cascade	Monona
Center Junction	Monticello
Central City	Oran
Cleves	Owasa
Elkader	Packard
Ellsworth	Union
Elma	Waukon
Farley	Williams
Faulkner	Winthrop
Garden City	

Wisconsin Locations

Cuba City
Hazel Green
Platteville

Store Hours

Monday thru Friday
7:30am to 4:30 pm

Saturday

All locations hours are varied with the season check with your local IAS location to confirm



When is your Birthday?

IAS will be contacting you, our members soon to find out your birthdays. Why you ask?

As a member of IAS, you receive patronage each year first based on our profitability, then secondly on the volume of the business you do with us. We generally pay 50% of that patronage in cash and put the other 50% in an "I Owe You" or deferred equity with your name on it. Currently we have over \$38 million dollars of member equity to return to our members in the future. We use this equity to continue to reinvest in the cooperative and make sure you have the facilities and services to meet your needs.

We revolve or pay out some of this equity each year, as the board and management decide how much the company can afford. We pay out the oldest years of equity that were earned with our oldest year currently at 2003. If a member passes away before all of their equity has been paid out through our normal revolvment process, the remainder will get paid out upon their death.

Given that any remaining member equity is paid out upon a members death, it is important for us to understand what our cash needs will be to fund those payments. Unfortunately, we do not have complete records of all of our members birthdays as many of the previous membership applications didn't require a birthday.

Please help us as we gather this information to help us better manage our equity revolvment. We will be sending out letters to those members we don't have birthdates on after the spring season. If you receive a letter, we would appreciate if you could please stop in at your local location and tell them your birthday or promptly return the letter with your birthdate.

We promise we won't count the candles!!