

S RIVER VALLEY COOPERATIVE SOLUTIONS

December 2015



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COOPERATIVE

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Locations

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Dixon • Donahue • DeWitt • Durant
Eldridge • Fenton • Galva
Geneseo • Lost Nation • Martelle
Olin • Osco • Ryan • Sperry • Stanwood
Stockton • Sunbury • Walcott

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Mission Statement

River Valley Cooperative is dedicated to delivering personalized services and expert solutions that enhance and ensure the longterm viability of our customer-owners, employees and communities.

CUSTOMER APPRECIATION OPEN HOUSE



Please join our employees, friends and neighbors for a meal and a visit at one of our open house locations.

December 10 DeWitt/Lost Nation - 6:00-8:00 p.m.
@ Buzzy's - Welton, IA

The following locations will serve lunch from 11:00 a.m. - 1:30 p.m.:

- December 11 Galva, IL Location
- December 17 Martelle/Olin @ Martelle, IA Location
Sperry, IA Location
- December 18 Eldridge, IA Location
Ryan, IA Location
- December 22 Osco, IL Location
Geneseo, IL Location
Annawan, IL Location
Clarence, IA Location
Sunbury/Walcott/Stockton/Durant, IA
@ Durant Community Center
Fenton, IL Location

January 8



COOPERATIVE

Your Success – Our Future

Manager's Report

Tom Leiting • General Manager, CEO • tleiting@rivervalleycoop.com

We have experienced another busy fall this year at your cooperative with a large grain harvest on most of our customer farms. Grain drying revenue and propane sales for on-farm drying will be down dramatically this year reducing our customer harvesting cost. Our elevators were pretty much filled and we ended up with about 750,000 of corn on the ground uncovered which has since been pretty much picked up. Fall fertilizer has been busy and we will compile the numbers and share following our six-month December financials. Thanks for letting us work with your farming operation.

At your cooperative we like to look out ahead to see what may be coming opportunities and challenges we may face. Obviously the lower income on the farm we are feeling today will impact your River Valley Cooperative along with other ag input providers in the near future. We are fortunate to have used the past few years of profitability to place assets and reduce debt to face a few years of potential reduced revenue. As you look at where you place your prepaid dollars it is reassuring to know that you see our financials every year and the strength that is imbedded within.

Another area of change for all of us is how we in

agriculture tell our story better. Too many times our consumer friends don't hear the truth about how the ag sector is working to improve water quality and safe food production. All of us in ag production today need to build our facts base to be able to respond in a positive fashion when challenged. At River Valley we are working on what we call a Sustainability project to identify and build a case for how our customers and River Valley provide support for the environment and our local communities.

We are interested in your thoughts, also. We have planned some combination grain and dialogue meetings in the first half of January around the River Valley trade area where we will share and provide some feedback from our operations and gather your thoughts about future needs. We will be posting the dates and times later this month.

In closing my comments, I would like to wish you and your family a safe and happy holiday season. Thanks for the business done with your cooperative in 2015 and we look forward to working with you in the future.



STEPPING OUT TO SEE WITHIN...

Lauren Weirup, 2014 RVC Summer Intern, shares her blog from a wonderful and unique study abroad journey this past summer. Lauren is a senior at Iowa State University studying Agriculture Education-Communications, International Agriculture, and Agricultural Communication/Journalism.

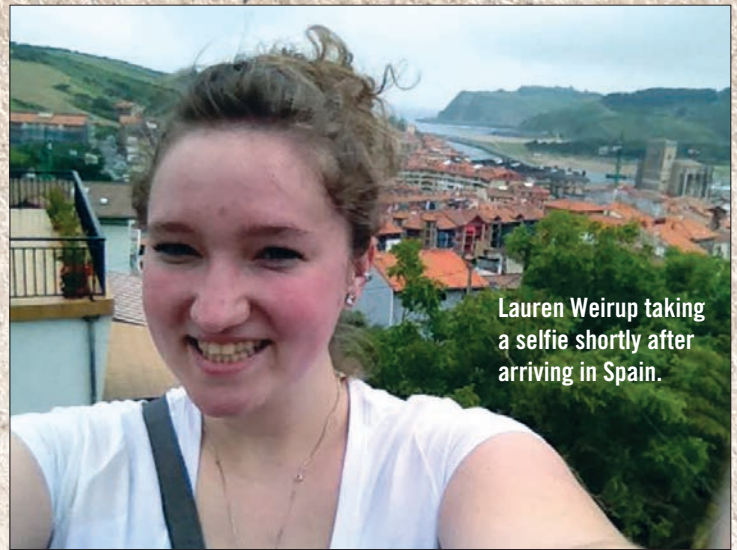
Many times in my life I have taken a step back to evaluate who I am, where I am, and where I am going. By evaluating constantly, it is easier for me to know how far, if at all, off my chosen path I have come. Many times what I see are the smaller details, such as my personal achievements, the jobs that I have had and whether or not I have grown as a person in the past couple of months. However, it is always hard to see the bigger picture of your whole life.

In June 2015, I had the chance to take a two-week study abroad trip through Iowa State University to the Basque Country in France and Spain. Like most people planning to visit Europe, I was mentally preparing myself for the tourist experience. In my mind I pictured beautiful big cities, clean and luscious beaches and amazing food! This was going to be my first experience outside of the United States and I was not going to let any part of the experience slip through my fingers. This trip turned out to be exactly what I was expecting and so much more! I learned so much about myself, my personal background and culture, and about the Basque people who are recorded as one of the first civilizations in Europe.



The Basque culture has a unique architecture as seen here.

After all of the suspense of my first international flight, going through customs, layovers, and of course jet lag, we finally reached our destination in Bilbao, Spain. Home of the famous Guggenheim Museum, Bilbao is one of the largest cities in the Basque



Lauren Weirup taking a selfie shortly after arriving in Spain.

country and full of history, art, beauty and culture. After the first couple of hours walking around the neighborhood where our hotel was located I really started to feel the culture shock. It wasn't long before I realized how strong the language barrier was.

Bilbao, although it has some, is not huge on tourism. Most of the locals could see you standing on the street looking lost and confused and still would walk on by without a second glance. Not that the people of Bilbao are rude, nor are they a closed-minded community, they simply do not encounter tourists very often and some of them even noticed that we were speaking English and walked away because they did not. This point was strongest during our second full day. We were assigned to groups to navigate the town for a scavenger hunt. We were provided a small city map and sent on our way. For the most part, when people saw us wandering clueless they let us be, but if we went out of our way to ask for help just about every person put a smile on their face and gave us a helping hand.

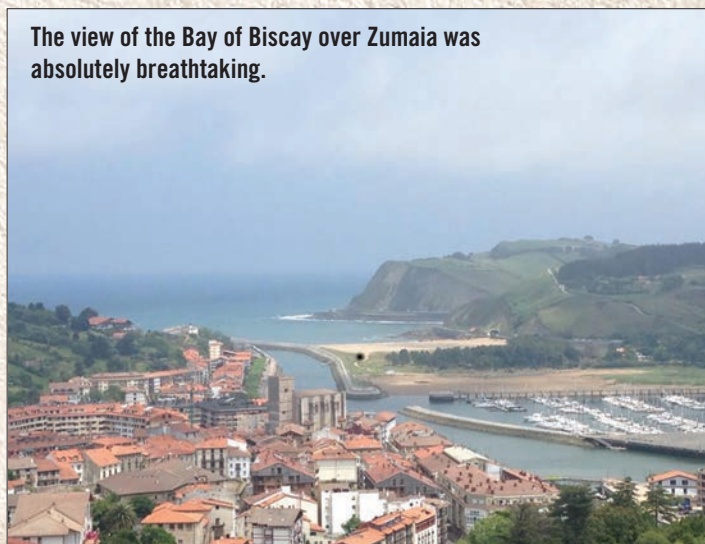
This made me think of the U.S. Being from Iowa, an extra friendly part of the U.S., I am used to people all around you lending a helping hand. When in Bilbao, my first reaction was that when no one would help us they were being rude. Then I thought about it, they weren't rude, they simply did not assume that we needed help, because as soon as we asked for help they were more than willing. I find myself often falling into a routine way of thinking, where if things are different than what I am used to that they must be wrong. I love interacting with people of many different ethnicities, cultures and backgrounds, which means that I am constantly interacting with people who may or may not see the world like I do. It is always difficult to take a look into yourself rather than just blame those around you, but I am always happy to learn something new and the world is a happier place for me when I take the time to understand those who surround me.

The next couple of stops were smaller towns that were still full with history and culture. Gernika (geh-nee-kah) and Zumaia (zoo-my-ah) taught me a lot about being a part of a community. Gernika is a smaller village that is made famous by the Picasso painting called "Guernica". Gernika was bombed during the Spanish Civil war by Francisco Franco, a Spanish dictator, who lead many politically-motivated

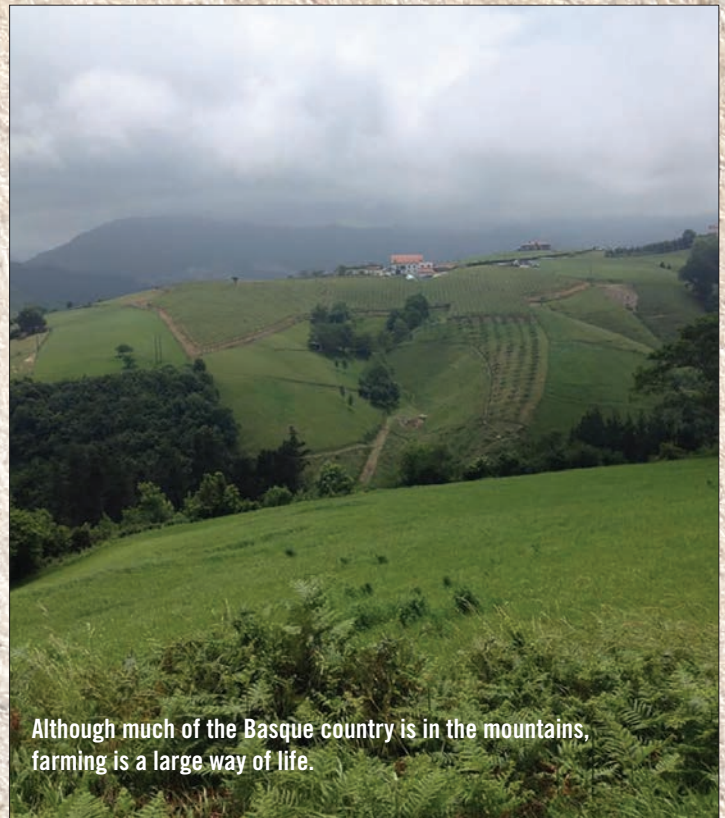
violent acts against anyone who was against what he believed and stood for. This bombing was made famous, due to the tactics used on civilians far behind the line of war. Since then this painting has become a symbol of peace from war recognized around the world. Zumaia is another small city off the Bay of Biscay in the North Atlantic Ocean. Zumaia is home to the longest set of continuous rock strata in the world. We took a hike around this beautiful city and were able to visit the rock strata. Also filled with history, Zumaia is home to the painter Ignacio Zuloaga.

Both Gernika and Zumaia take a large amount of pride in their history and heritage as Basque people. While interacting with anyone who identifies as Basque, I saw so much pride in who they are, not as individuals, but as a community. The Basque people are a tight-knit community who are more than happy to share about who they are and what they believe in. Coming from a small town in Iowa I am used to that feeling of being connected to my roots. When I go home, I feel like a part of me will always belong, but I am not as used to the cultural identification that the Basque people show. As an Iowan and an American I am proud of where I come from, but I don't always know what "where I come from" really means. I was taught American History in school, but soon after I was taught it was stored away or forgotten because it is not an active subject in my day-to-day life. I was told at one point or another who my ancestors were, but right now in this moment I can only give you broad explanations. I'm not saying that any of this is a bad thing. I never really thought about it until this trip, how little I know about my personal history and how it affects me. I am fortunate enough to have met and briefly known five of my great grandparents, but after this trip I realize how rare that is with my generation. I have definitely been encouraged to conduct further research into my personal history, to hopefully gain a better understanding of where exactly I come from.

San Sebastian was the next destination of our trip. This city was a different experience because it is a higher tourist population destination. In the previous cities it was rare to find people who have interacted with Americans; therefore they did not really have an opinion of 'us' until they met 'us'. This was a good thing, because there were no previously established stereotypes with those individuals, and because



The view of the Bay of Biscay over Zumaia was absolutely breathtaking.



Although much of the Basque country is in the mountains, farming is a large way of life.

it gave us the opportunity to give a great first impression. These same reasons made our interactions a little bit stressful. There was a lot of weight on my shoulders knowing that how I acted could impact how they perceive our entire country! What if I had messed up and said something stupid, or worse? Luckily, as far as I know, all of my first impression experiences went over well and I ended up learning a lot about myself and those whom I talked with. In San Sebastian however, many of the people that I encountered already had pre-established opinions of Americans. This was also a point of stress for me, because in many of my conversations people were looking for me to 'fit the stereotypes'.

During our stay in the San Sebastian we had the opportunity to tour the new and old parts of the city. Our tour guide was an English teacher at the San Sebastian University. Interacting with her was one of my favorite parts about our visit to San Sebastian. When I asked her what she thought about Americans, her answer filled me with hope! She said that she used to be an exchange student in the United States and when she first started classes she felt very out of place. Her first impression was that if you are an international student you were not welcome. She continued to explain that her "first experience" was over 15 years ago and since then she has realized that maybe her experience had to do with the fact that she kept to herself. Since then her travels have taught her that if you really want to experience a culture, you have to jump right in and involve yourself with the people and activities around. If you stay within your small group (college dorm, temporary residence, travel group) that you will be limited in what you learn. She encouraged me and anyone else looking to explore a new environment to branch out of your comfort zone and really

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STEPPING OUT TO SEE WITHIN... (continued from page 5)

engage with the locals. Only by opening yourself up to a new environment will you truly understand what those people believe and stand for, and hopefully they will learn from you in return.

From San Sebastian we traveled into France, visiting many smaller cities and enjoying an entirely new kind of culture shock! The Basque region is mainly located in the northern part of Spain with only a small sliver reaching up into southern France. Even though all of these people identify as Basque, they identify separately by the country in which their community lies (Spanish Basque, French Basque). Our first destination in France was St. Jean De Luz.

In St. Jean De Luz we toured the church in which King Louis XIV was married and learned the history behind the wedding, which has a surprise connection to the Basque people. Everywhere we went there was a history of the Basque people and region and every city connected to each other in one way or another through the culture. In all of the history and connections I thought back to my lessons in American History. In how each American may come from a different place (north, south, city, country, etc.), we all share a history that has created the path that we walk on today. We all belong to one country and although we may not believe in the same things or support the same causes, we all come from the same today or yesterday and we all have a connection to this land that we call home that brings us together.

Although we stayed in St. Jean De Luz France for almost five days (the duration that we were in France), we traveled to many of the surrounding cities including Sare, Ascaïn, Biarritz, Bayonne and Cheraute. In Sare we took a train to the top of a mountain and were able to see the country from a higher perspective. Ascaïn was by far one of my favorite stops because we were fortunate enough to visit a family farm. Being an Agriculture Major I was ecstatic throughout the whole tour to see the similarities and differences in farming techniques and practices! Biarritz and Bayonne were briefer visits. Due to rainy weather we did not get to really see the city, but we did get to visit an aquarium and some museums.

In Cheraute we had the chance to visit a high school. In France the education system is not only free from elementary up to college, but it is also specialized starting in high school. The particular school that we visited was Lycee Du Pay De Soule, which was a technical school specializing in the sciences and technology. We toured their

facilities, getting to see many machines, which I have only ever seen at a college or university rather than a high school. Some of the students that we were able to interact with were specializing in literature and English.

There were two young ladies studying English that I was very blessed to get to know. Anise (sophomore) and Elaina (junior) were both very excited to talk to us about what school is like in the United States. I myself was home schooled, but I was also heavily involved in the public high school growing up, which caused for a very long lunch conversation with these ladies. I really had to look back at my experiences and was able to take on a whole new appreciation for not only the education that I received, but also for the interactions and cultural experiences that I was involved with. I mean, how often do you see things like prom and sports as a large cultural aspect? I never really realized how fortunate I was to be so involved and have so many experiences during my high school years.

The last leg of our trip was spent in Madrid, Spain. Although Madrid is not a part of the Basque region, we were able to get a tour of the Royal Palace and walk around the city taking in the culture of the big city life. During this portion of the trip all of the students prepared and presented group presentations of what they had learned on the trip. My group presented on what we learned about the American Culture from an outside perspective. The greatest take-away from our presentation was that each person, no matter how they identify, are as unique as the stripes on a zebra.

You may come from the same place as someone else, speak the same language, you may even have the same bloodline, but you have your own story full of life experiences. I learned so much about the American culture that I was simply taking for granted. The phrase "you don't know what you have until it is gone" came to life as I traveled out of the U.S.A. and reflected back on my life. I also learned a great deal about myself. I learned that my life experiences are not always the same experiences as someone else who may come from the same background as me.

I am so blessed to have had this opportunity to study abroad. I am ecstatic to bring everything that I have learned into my everyday life and apply my new perspectives. Although I may have grown up in Iowa, and still attend school in Iowa, I am constantly interacting with people from different towns, states and even different countries across the world! I am excited to open myself up to new cultures

and experiences and cannot wait to see what lies ahead now that I have a better understanding of where I come from and what lies in my past.



A beautiful view of the beach on the Bay of Biscay.

Lauren

Winter Feedlot Management

Shawna Lorenzen, *Livestock Production Specialist* • 563-320-7276 • slorenzen@rivervalleycoop.com

Living in the Midwest gives us the luxury of having unpredictable winter weather. From days that are sunny and 40 degrees to days that are negative twenty with a foot of snow, livestock producers need to be prepared for any type of weather. How do you manage your livestock in the winter months?

Cold temperatures, dangerous wind chills, and blowing snow are all conditions that could affect cattle performance. Lower gains and reduced feed efficiency are two of the most common results of poor winter management.

Wind protection for feedlot cattle is vital during long periods of low temperatures. Fences, trees, large round bales, sides of buildings, and dirt/clay mounds with proper slopes are all examples of windbreakers. Bedding is also crucial during winter months. A rule of thumb to use when bedding this winter is one pound of bedding

per head per day for every inch of mud (four inches of mud, 100 head = 800 lbs. of bedding every other day). After snowfalls, bunks should be cleaned out before delivering a batch of feed. Snow in the pens can be stockpiled for a short amount of time, but should be removed completely before thawing occurs. Removing ice and snow on the aprons and around waterers should be done to ensure better footing and access to feed and water. Slippery surfaces near feed bunks and waterers can lead to decrease in intakes which leads to a decrease in gains.

Cattle are able to adjust to colder weather and perform well when some of these management practices are in place. Being consistent with feedings, cleaning out bunks after a storm, providing bedding, and having windbreaks are all great management practices to help your cattle perform well this winter.



Hatching a Future in Farming

Farming is pretty much the life Lucas Daehn was destined to live.

Born and raised on his family's farm north of Wheatland, IA he began driving tractors when he was 11 and started working for other farmers in the area a year later.

Lucas was raised on a typical family farm, where along with his father, Paul, and four brothers, they raised corn and soybeans, had a half dozen cows, and about 500 chickens.

"My goal has always been to find a way to get into farming," said Lucas, "and about halfway through my junior year I was sitting there thinking, 'Where do I want to go to college, and what do I even want to do?'"

"Everybody knew that I didn't care for school. I get good grades, but I don't like sitting in a classroom. I like farming, and I like working on the farm."

Now, five months before he's set to graduate from Calamus-Wheatland High School, Lucas' career path is clear, and his future is coming into focus. As a result, agriculture's future looks a little brighter.

"There aren't a lot of kids that want to stay in agriculture," said Lucas, "and there's probably only a half dozen in my whole school that have a chance. I'm



Lucas Daehn

lucky to be one of them.

"To succeed you have to have a lot of drive, and it's not like you're guaranteed to have a lot of money. You have to work for it, and it's a gamble."

As for Lucas, he's going all-in on a \$1.4 million breeder house facility providing fertile eggs for Hy-Line North America, the country's largest day-old leghorn

The new breeder stock facility sits high atop a hill at Lucas' parents farm in rural Wheatland, IA.

chicken producer.

Lucas will be the caretaker of the facility which will produce approximately 30,000 fertile eggs a day in his new state-of-the-art breeder barn, where he'll collect the eggs and prepare them to be shipped to Hy-Line's newest hatchery in Wilton, IA.

The Wilton hatchery, which is expected to begin operation in early 2016, will be the company's largest, capable of producing over 150,000 day-old chicks per day.

In order to supply the eggs needed for this level of production the company is looking to add upwards of 12 breeder facilities in the area.

"I'm excited about being the second one in the area to do this," said Lucas, "and it's cool to be the youngest one doing it. I was only 17 when I signed the contract.

"It's a big investment for a 17-year-old kid. It's a \$1.4 million deal. Everybody thinks I'm the richest person in the world, but that's certainly not the case."

Lucas may not be a big fan of school, but he certainly did his homework for this project.

"I've done the math," he said.

"Actually, Hy-Line does it for you. "Their presentation spells everything out and they give many examples of flock performance and return on investment these facilities have provided over the years.

"They show you what you're going to make, and when I signed the papers I knew down to the penny what the

average profit is, and that's not including the compliance incentive or the manure we'll be able to sell.

Lucas owns the building and Hy-Line owns the birds. The company provides the feed and egg handling supplies as well as support with its own flock service personnel that will visit the site every one to two weeks.

"They do a heckuva job," said Lucas, "which makes it a lot easier on me. All I have to do is take care of the birds, facility and collect the eggs."

Unique Opportunity

Lucas' unique opportunity literally came out of the blue. He was working on a dairy farm near Delmar, IA last summer, and the wife of the farmer worked at Farm Credit.

"She heard about the Hy-Line deal through a meeting she had attended, sent me the information and asked if I was interested," said Lucas. "It looked interesting, and then I kind of joked around about it with my dad, and he thought it was pretty cool.

"We never really talked about it after that, but one day last summer I was at baseball practice, and a buddy of mine said, 'Hey, are you guys putting

up a chicken house?'

"I told him I didn't know anything about it," continued Lucas, "but the first thing I did when I got home was ask my dad, and he said, 'I thought you were serious about

"Initially, they say I should plan on spending 5-to-7 hours a day in the barn, but once I graduate I assume it will be more," he continued. "Like anything, the more time you put into it the more you're going to get out of it."

(Continued on page 10)



Hatching a Future in Farming

continued from page 8



Lucas takes a quick break from watching the construction going on at his new building.

it.' I said, 'Now that you, are I am, too.'

"I really wanted to do it, and I knew he did, because he likes livestock, and he wants to get me farming, too. And you can't really compete with land prices, so doing

chores is probably the easiest way to do it."

One conversation led to several, and it wasn't long before Lucas could see his dream unfolding right before his very eyes.

"When we first started talking about I didn't expect it to go too far," said Lucas. "One day I came back to him and said, 'So, are we doing this or what?' He said, 'You're doing it.'"

Those conversations took place in July and a month later Lucas signed on the line and became the proud owner of a Hy-Line breeder barn that will soon be home to 40,000 cage-free male and female breeding chickens.

It's definitely his baby.

"I birthed this thing from Day One, but with a lot of help from my family," said Lucas. "Before we signed the papers I'm the one who dealt with all the contractors and I've done all the calls to the state, DNR and county to make sure everything is done the way it should be.

"I'm overseeing construction and everything, but I also

have a lot of support from Kerry Dexter of Dexter Dozing and Scraping. He keeps me busy every weekend and is always making sure things are going good with the barn. It was a big job to take on, but I'm in hook, line and sinker."

Lucas signed the papers on August 20, and the project began in earnest the next day.

"When I signed the papers, it was a great feeling," he said. "I just smiled and shook my head, and I couldn't believe what had just happened. The first thing I did was call my excavator, and we were ready to go the next morning.

"We moved 19,000 yards of dirt to level it all off. When we started there was just one big hill where the building now sits. We scraped it all, and that was the hard part, but it never really hit me how big the project was until the building started going up. Then it was real. Then it was me."

Construction on the 582' x 66' barn began in early November. Lucas helped with the cement work, and Hy-Line's building crew, which includes one of his older brothers, is doing the rest.

"I'm not necessarily scared about anything," said Lucas, "but I'm most worried about the building process going smoothly.

"Early on I was a little scared because Hy-Line would have liked to move up the bird date but I was like, 'Guys, we haven't even poured concrete yet.' They realized that and moved it back, and now I'm a little more relaxed."

The birds are scheduled to house in January and it's a day that can't come soon enough for Lucas.

"It's going to be an odd feeling, being in charge of all those chickens," he said, "but I think the hard stuff has already been done in trying to line everything up and make sure everything is the way it should be.

"Throughout the process, I've had to rely on other people and work around their schedules. Come January, it will be all on me. It will be my job, and I think it will be a relief to finally get to work on something I can call my own."

Lucas expects his biggest challenge to be trying to balance his schedule between work and school from January until May. Still, he's confident everything will work out.

"My job is to pretty much take care of the birds and make sure the eggs are collected properly," he said. "I will walk through the



A few River Valley employees were privileged to tour a breeding facility nearing the end of construction and just a few days before the first chickens were being delivered. Alma Morgan, Location Manager, Hy-Line North America, LLC, (right) provided the tour.

bird area multiple times a day, and run the conveyor belts that bring the eggs to the packing room to pack them.

“I’ll sort eggs as they come to the packing machine sorting out ‘non-settable eggs’ such as peewees, jumbos, cracked or dirty eggs that won’t hatch, and then make sure all the good ones get packed up so they can be transported to the hatchery.

While he’s still in school, Lucas expects to wake up at 5 a.m. and head to the barn. He’ll check the flock and then pull some eggs until 7 a.m., get ready for school and prepare to head to classes in Wheatland.

“I’ll probably head out to the barn one more time before I leave to make sure everything is fine,” he said, “and then when I get home from school at 12:30, I’ll change clothes and go hard at pulling eggs.”

The way the process works is that the chickens will be divided into three individual areas, with two nest rows running the length of the building. Chickens can enter the nesting area from both sides of the building, lay their eggs, which roll onto the egg belt, and then go back and eat, drink and roam around.

“Once I graduate, I won’t have to head out to the barn so early,” said Lucas, “and the schedule will be a little broken up, which will allow me to continue doing seasonal work for other farmers.

“You don’t have to be in there from eight in the morning until five at night. There is some flexibility. I’ll spend my time in the barn caring for the birds, pulling eggs, and also doing paper work, like tracking how much feed and water the chickens consume.

“Initially, they say I should plan on spending 5-to-7 hours a day in the barn, but once I graduate I assume it



Alma Morgan, Location Manager, Hy-Line North America, LLC, explains how the eggs come down the conveyor belt into the egg packing area.

will be more,” he continued. “Like anything, the more time you put into it the more you’re going to get out of it.”

Lucas expects his dad to help out on the weekends, and he figures his four brothers will also be excited to lend a hand.

As for the birds, they’ll spend 55 weeks in the barn before being replaced.

“They’ll be 17 weeks old when they get here and be ready to lay eggs,” said Lucas. “We’ll switch them out when they’re 72 weeks old and bring in a new batch. In between, Hy-Line will have their own crew come in and wash and disinfect the bird area, and I’ll empty the manure pit. If I’m lucky, I might get two weeks off.”

But now, Lucas is just looking forward to working, and living his dream of continuing in agriculture.

“I know life is going to be hectic until I graduate,” he said, “and I know I’m in for some long and stressful days. But I also know there is a light at the end of that tunnel, and I’m looking forward to what lies beyond that.”



The chickens lay their eggs in the nesting houses which are large enough for four chickens to nest at a time. The feed and watering lines are located nearby providing plenty of food and water.

24 Hours A Day, Seven Days a Week!

Winter is just setting in, but we know you've already had next spring's planting season on your mind for quite some time. You can hardly wait to get back out into the fields preparing the ground for the 2016 crops, and we're just as anxious as you are. We're here to help you with all your spring planting needs by providing the right products at the right time - when you need them and when you want them.

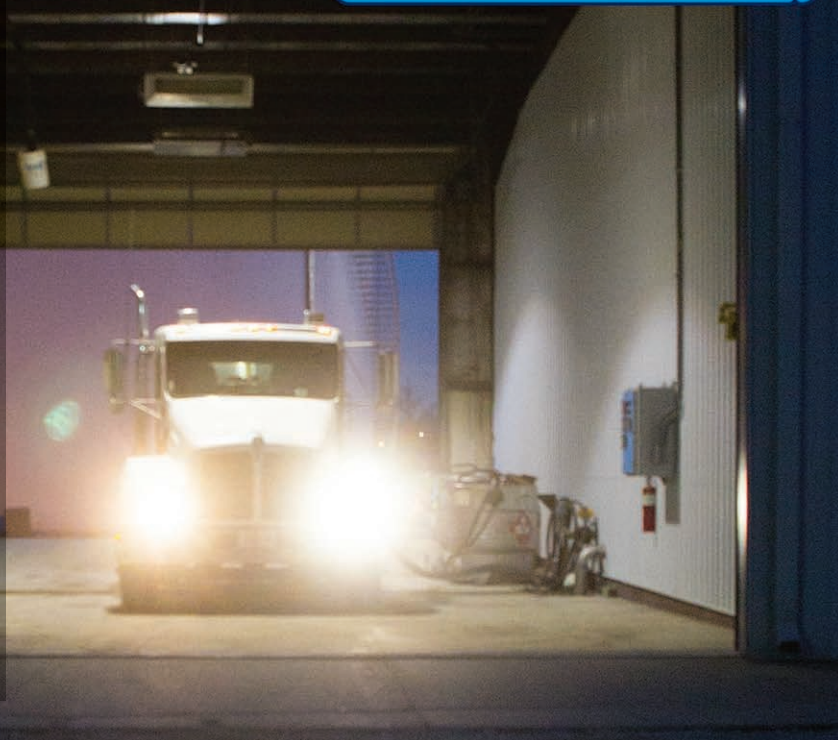
With River Valley Cooperative's six 24/7 liquid fertilizer loadout facilities you can get your 32% UAN, 12-0-0-26 ammonium thio-sul, corn starter products, and RVC in-furrow starter mix anytime, day or night.

Self-service bays are available at four of our Iowa locations - Ryan, Lost Nation, Sperry and Stanwood, and at two of our Illinois locations - Geneseo and Galva.

It's easy, it's convenient, let us show you how. For more information or for a guided tour, please contact your local agronomy account manager today.



OPEN
24 HOURS



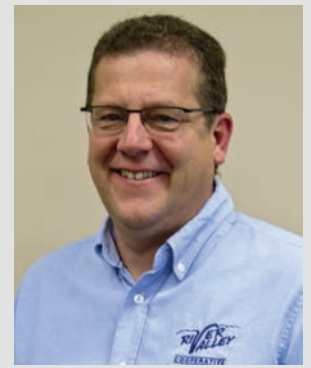
When You Construct a Swine Production Facility, You Not Only **Build** a Hog Building...

- You build **EQUITY**
- You build **SOIL FERTILITY**
- You build **DIVERSITY**
- You build **CONSISTENCY**
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For more information, contact Tom Dale, RVC Swine Account Manager, at (563) 357-0093 or tdale@rivervalleycoop.com.

MarketEdge

RIVER VALLEY COOPERATIVE



by Mike Moellenbeck • Vice President Grain Business Unit
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With the 2015 harvest complete, the grain markets are struggling to find support and a reason to rally. As we go into the end of the calendar year, the following are some fundamental topics to watch that may impact price trends.

- The December and January Supply/Demand Reports, big crops tend to get bigger with USDA raising the national yield in the November report by more than one bushel per acre for both commodities; the final corn yield is now 169.3 bushels per acre and the bean yield is 48.3.
- Demand for US commodities in the export market, with corn exports nearly 30% behind a year ago it is plausible the corn export number for the year could be down another 75-100 million bushels. With all other numbers being unchanged this would be the corn carry out over 1.9 billion bushels.
- US Dollar Index, driving the slowdown in exports is the strength of the US dollar. The dollar index is near 1.00 and as we go into December and January, two keys for the currency sector will be reactions to policy adjustments by the US Federal Reserve and the European Central Bank. Going back into recent history when the US dollar index was .65 to .70 and corn prices were \$6.00 or more, we saw better margins in all demand sectors of the corn market (ethanol, livestock feeding and exports) than what we see today with corn prices closer to \$3.50. This is due in large part to the change in the dollar index and its impact on exports.
- Farmer selling, during harvest the target price for corn was \$4.00 and \$9.00 for beans. Producers have been

disciplined in making additional sales and have been holding tight to their production. Across the corn belt basis values have improved 15-50 cents as a result of tight producer holding. The stronger basis levels have been in the east where the crop was smaller, but basis improvement is now being seen in the west as well despite large supplies. Historically, by the first of March the farmer has sold about half the crop, today it is estimated that producers have only marketed about 15% of the crop so the market is anticipating producers will market another 30-35% of the crop between now and March 1st. This will lead to pressure on basis, but when?

- South American weather, no major concerns at this time.

It is expected the grain markets will remain in a lackluster trading range through the holidays. If you need or want to move corn during this time period, but do not want to lock in the flat price, basis contracts would be an option. You can collect up to 70% of the value after delivery and can roll the basis from the nearby futures to a deferred month to get more time to set the final price. Basis contracts offer no downside protection.

For downside risk protection, another pricing tool would be a Minimum Price Contract. These contracts result in pricing the grain at the current strong basis, and then purchasing a Call Option to allow for potential gains if the market rallies next spring or summer.

For more information on these tools contact one of our grain originators.

• Watch for our Select Pricing Programs for the 2016 new crop contracting period to begin in January •

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Proudly Supporting Our Communities

River Valley Cooperative is committed to supporting communities where our customer-owners, employees, and facilities are located.

Our focus on agriculture, community improvement projects, and agriculture youth-

based organizations has provided over \$45,000 in donations this past year. From purchasing food tickets at our county fairs for 4-H and FFA youth to providing funds for lifesaving equipment to area fire departments, we believe it's important to be good neighbors.



River Valley Cooperative employees Hobie Stutt and Dave Weiskircher presented the Clinton County Agricultural Society board members with a \$5,000 donation for their swine building project at the Clinton County Fairgrounds in DeWitt, IA. The donation will be used to help renovate the swine facilities and enhance agricultural education opportunities at the Clinton County Fairgrounds. The donation represents \$2,500 from River Valley Cooperative and \$2,500 from the Land O'Lakes Foundation member matching funds program. Pictured are (l-r) Phil Burke, CCAS board; Hobie Stutt, RVC Regional Operations Manager; Chris Goldensoph, CCAS board; Polly Bender, CCAS board; Justin Jacob, CCAS board; Sharon Leonard, CCAS board; Bob Gannon, CCAS board; Dave Weiskircher, RVC DeWitt Location Manager; Mike Wildes, CCAS board; and Jason Kuehn, CCAS board.



Knox County Farm Bureau Young Farmers were a recent recipient of a \$2,000 donation from River Valley Cooperative and the Land O'Lakes, Inc. Foundation member cooperative matching funds program. The donation helped in the completion of a grain bin safety module at the Hawthorne Centre Regional Training Site in Galesburg, IL for firefighters and EMS personnel. Accepting the donation on behalf of the Young Farmers group are Tara Bohnert Yoder, Young Farmer Chair (far left); Andrew Johnson, Young Farmer member and firefighter with the City of Galesburg (second from right); and Drew DeSutter, Young Farmer member (far right). Jayne Carstensen, River Valley Cooperative Communications Specialist, presented the donation (second from left).



River Valley Cooperative presented a \$5,000 donation to the Cedar County Cattlemen to help construct a new cattle building at the Cedar County Fairgrounds in Tipton, IA. The donation represents \$2,500 from River Valley Cooperative and \$2,500 from the Land O'Lakes, Inc. Foundation member cooperative matching funds program. Presenting the donation on behalf of River Valley and Land O'Lakes are Ross Kleppe, RVC Agronomy Account Manager (second from left), and Kalab Klahn, RVC Agronomy Operations and member of the Cedar County Cattlemen (third from left). Also pictured are Dave Mohr, Cedar County Fair Board (far left) and Russ Cook, President Cedar County Cattlemen (far right).



Are You Getting All the News?

In September of this year, River Valley launched a new monthly electronic newsletter, **Solutions Now**.

Solutions Now is delivered via email around the first of each month and provides short, informative news bytes in a quick and to the point format. It's mobile-friendly and easy to access and read on your smartphones and tablets, too.

To subscribe to **Solutions Now** just visit our website @ www.rivervalleycoop.com, click the "Sign Up Today" button on our homepage and in a few seconds you'll be subscribed and on your way. Past issues of **Solutions Now** are available on our website at www.rivervalleycoop.com/solutions-now-e-newsletter.

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Happy Holidays

We wish you a Joyous Holiday Season
and a New Year filled with
Peace, Prosperity and Happiness.

