



Gold-Eagle Communications

Gold-Eagle Cooperative Mission Statement

Providing Quality Services And Products Innovatively, Profitably And Professionally

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January, 2009

Just The Grain Facts By Duane Madoerin



It's been a welcome sight to see the market on the rebound and moving in the right direction (higher, that is) following the slumber period over the holiday season.

At first glance, you would normally assume Mother Nature would be playing the leading role in driving this market, since there are certainly some serious weather problems being faced by corn and soybean growers in the Southern Hemisphere at this time.

Weather reports coming out of Argentina indicate they have been very dry for a while, and that has caused some worries about the ultimate fate of their corn crop.

It's a similar story on the opposite side of South America in Brazil, where dry weather is also apparently causing concerns for their bean crop as well as corn production.

Many believe the acreage for corn and soybean production in both nations might be lower this year due a combination of factors that include the lack of available credit, higher priced fertilizer, on-going dry weather concerns, and the continually tighter squeeze on the profitability of planting crops in Argentina and Brazil due to on-going economic troubles.

Not only would the potential of reduced acres planted to corn and beans from those factors cut into productivity, so too would using less fertil-

SPECIAL ANNOUNCEMENT
New Service Now Available From Gold-Eagle Grain Team
GOLD-EAGLE'S CASH MARKET BIDS
Text Messaged 3 Times Daily To Your Cell Phone
(Open - Mid-Day - Closing)
Contact Your Gold-Eagle Location
If You're Interested In This Free Service

izer on those crops that were planted, since any cutback in nutrients would be based on those same basic reasons.

But while all of these things could and probably should be driving forces in the market at this time, as they have historically been in past years, our grain markets of today have instead hitched themselves even more tightly to what is happening to crude oil and, to perhaps only a slightly lesser degree, to what strength or weakness is shown by the U.S. dollar.

And as we see bullets once again flying and bombs falling in the Middle East, the tremendous volatility of that region and uncertainty over what might happen at any time over there overshadows even the factors and influences of weather.

I do feel, however, that if these dry conditions continue to prevail for much longer in Brazil and Argentina, the issues and implications could become steadily more apparent to grain traders, and their focus could indeed shift south.

Before long, we will also start to see how this year's **Battle For Acres** begins to shape up.

The first clue as to what this year's action might be like will come as we get **Uncle Sam's 2008 Crop Production figures on January 12th**, since that will give us the supply

side figures for corn, soybean and wheat production to plug all of the demand projections into.

Then, for at least the next couple of months, we will likely see each crop move to gain acres from the others, and to hold on to acres to keep them from shifting elsewhere.

Add the constantly changing picture of production costs for the different crops to the demand projections will make this an on-going tug of war until the crop is planted, though I don't expect it to be quite as intense as 08.

Corn prices at this time are not high enough to buy sufficient acres to meet some of the demand projections that we have out already.

For example, Informa's corn acreage projection of 82.3 million acres for corn this year, compared to 85.9 million in 2008, would not meet the current demand projections even if we produce a bumper crop.

So what price will corn need to get to before it starts attracting acres from bean ground? Only time will tell, but obviously the differences in fertilizer and various other production costs will factor into many decisions.

CORN UNDER LOAN: There are currently 424 million bushels of corn

GRAIN FACTS
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**Stu's
News
By
Stu Pannkuk**

I'm putting this article together on the morning of January 5th and I want to start off by saying:

Congratulations to Steve Tassinieri from GE-Max Nutrients on this year's sales of over 90,000 tons of chicken litter.

These volumes are even more impressive when you consider the challenging conditions and tighter schedule that we experienced this fall.

All the manure from the barns had been removed and delivered to the fields by December 16th, and by today all the litter has been spread over 26,000+ acres.

Again: **A great job by Steve and the entire crew!**

Next I want to thank everyone who has stopped in to prepay spring crop input needs. We are very pleased with the overall response that we received from our customers.

Also keep in mind we are offering these competitive end of the year pre-pay prices through January 15th, so if you still have input bases to cover and there is time to do so, get in touch with your Gold-Eagle Agronomist.

Of course after January 15th prices change, however we will still have very competitive prices for our customers who want to purchase their agronomy needs before spring arrives to beat the in-season rates.

None of us can predict what Mother Nature has in store for this coming spring, but unless we have a very unusual spring, and by that I mean an early arriving one with favorable weather and field conditions for an extended period, it's clear we will need to get a tremendous amount of work done in a very short period time.

As I stated last month, let's all us do our best to get the dry fertilizer on before March 15th arrives. This will be a huge help to everyone so we're able to concentrate on spraying products when that time arrives.

And obviously, getting the spreading done earlier will help all of us with the task of applying several thousand tons of nitrogen in the short time frame we'll have this coming spring.

At this point I want to emphasize

**Stu's Quote Of The Month
NEW YEAR'S DIET RESOLUTION
"People Are So Worried About What They Eat
Between Christmas And The New Year
But They Really Should Worry About What They Eat
Between The New Year And Christmas"**

Author Unknown

that the Agronomy Division at Gold-Eagle Cooperative has taken steps to increase the amount of tons that can be applied on a daily basis.

We have increased our floater and liquid tendering capacity for applying 28%, plus we have also increased our NH-3 application equipment by adding several nurse tanks to our fleet, along with adding more toolbar availability.

Bottom Line: Your Gold-Eagle Cooperative has the capability to meet your needs on a timely basis!

PROJECT UPDATES: Here are the latest developments that have taken place as we continue to move forward on these major projects.

Wesley Project: The dirt work for the new 14,000+ ton fertilizer plant now under construction at Wesley needs to be done in two phases.

The first phase consists of bringing the site up-to-grade, which was completed by the end of December.

The second phase is to do some soil correction procedures due to sub-par soil conditions. This phase will be completed in January.

Titonka Project: As you can see from the picture below taken on

December 30th, construction of the 1,000,000 gallon tank is progressing well, and by the time you receive this newsletter the tank will probably be nearly complete.

By the end January the plumbing and pumps should be installed and wired. We are scheduled to start filling the tank in early February, and the tank should be filled by mid-March.

Having this additional 5,500 tons of liquid nitrogen in stock assures our growers of having the necessary inventory on hand to meet demand.

Also, the concrete work for the seed storage warehouse and chemical/28% load-out is done, and construction of the building is well underway.

IN CLOSING: Don't forget to consider ordering Agrotain so you can add it to your liquid nitrogen. Agrotain has a nitrification inhibitor effect on the urea portion of 28% nitrogen (half of 28% is urea) and is a great value at a minimal cost.

Please ask your local Gold-Eagle Cooperative agronomist about Agrotain and what it can do for you and for your crops in 2009.



**Gold-Eagle's New 1,000,000 Gallon Liquid Storage Tank
Is Taking Shape At Our Titonka Location**

Despite snow, ice and cold temperatures the workmen on the scaffolding continue to make good progress on erecting the steel forms that will extend for another five layers to reach a height of thirty feet.

Chris' Comments
By
Chris Petersen



The price of seed inputs, as all of you know, is higher for the upcoming season, and while I am sure everyone understands that so many of the benefits and advantages we now rely on from advances in biotech and the development of elite hybrids is indeed worth more, this doesn't help take the sting out of paying for them.

However, when we take time to evaluate all we get in the price we pay, we should start to feel a lot better about the values we're able to rely on, and that helps to provide reassurance we have made the right decisions.

For example, this last year we all learned about the value of **Trait Investment Refunds, Trait Replant Refunds and Trait Crop Loss Refunds** that we were able to utilize for replanting, and/or which some were able to claim due to the fact they couldn't get crops in some areas replanted.

These refunds were for Monsanto GMO traits and were covered under **Monsanto's Roundup Rewards Program** for producers using a labeled Roundup agricultural herbicide for applications on Monsanto trait crops.

The purpose behind these refunds is easy to understand: **Monsanto doesn't expect anyone who plants Monsanto traits on their acres to have to pay for those traits more than once in a single crop year.**

If you have paid for this trait and the crop is 100% destroyed or lost, Monsanto will reimburse you the set value for that trait.

And while the value of the traits doesn't totally account for the total cost of the seed, it nevertheless helps to offset the total cost of replanting, or refunds you the value of a trait that you never got to utilize.

This is a short list of the most frequently used refund values that we use in our area.

Roundup Ready Soybeans
\$7.50 a bag
Roundup Ready Corn
\$43.00 a bag
Yieldgard Plus
With Roundup Ready Corn 2
\$103.00 a bag

Yieldgard Corn Borer
With Roundup Ready Corn 2
\$68.00 a bag
Yieldgard VT Triple
\$107.00 a bag

The lesson learned from this last year was that you had to use a Roundup brand herbicide on all your Roundup Ready corn and Roundup Ready soybean acres.

Using a Roundup brand crop protection product like Powermax also brings some added security and peace of mind.

That's because Monsanto has a program called the **Roundup Performance Pact** which brings added value to using Roundup Powermax, and it is also easy to understand.

Just use Roundup Powermax at labeled rates.

If you spray in tough conditions, like it being too warm, too cold or too dry and you need to re-spray, you will receive up to your initial use rate at no charge from Monsanto.

They also have a **Tough Weeds Warranty**. Spray Powermax at the labeled rates and if you can't control the tough weeds, Monsanto will provide you with your initial use rate at no charge if a re-spray is necessary.

There is also a **30 Minute Rain-Fast Warranty**, which gives you freedom to spray even if there is a rain coming.

Again, just use Powermax at labeled rates, and if you receive rain 30 minutes after application and have poor performance, Monsanto will provide you with your initial use rate at no charge if a re-spray is necessary.

Also, we have their very popular **Start Clean Stay Clean Program**, which promotes the use of a Monsanto residual corn or soybean herbicide at the Roundup Ready rate, followed with an post-emerge application of at least 22 ounces of Powermax before weeds in corn

exceed 4 inches in height, or 8 inches in soybeans.

If a second Roundup application is needed, Monsanto will provide up to \$5.50 per acre for a second post-emerge treatment.

Finally we have their **Volunteer Roundup Ready Corn 2 Cost Share Allowance**.

When you use the proper Roundup Ready rate of a Monsanto residual corn herbicide, the labeled rate of Roundup brand herbicide and use Select Max to control your volunteer Roundup Ready Corn, Monsanto will cost share \$2.60 per acre towards the purchase of Select Max.

All of these value-added extras are further proof-positive that you are using products that have companies that stand behind them.

I realize that everyone puts a different value on things like this, some greater some less, but as we experienced last year, the true value of programs like these doesn't come to light and often isn't fully appreciated until it is actually needed and used.

You could think about these added values in much the same way as you think about health insurance. You pay a premium every year and if you stay healthy you don't collect a cent.

But come down with a major illness that requires hospitalization, or surgery, and you could add up all the premiums you'd pay in several lifetimes and never cover the hospital bill, the surgeon's bill and all the rest that your premium covered.

All Gold-Eagle salesmen have the complete details on all of the support programs that are offered, not only those by Monsanto that I've talked about in this article, but with all the companies we do business with.

So please feel free to contact them for more detailed information if you're interested in finding out more about the values you are receiving with your purchase price.

**Use Price Later To Move Grain Out Of Storage Now
And Eliminate Potential Damage & Quality Problems**

By Your Gold-Eagle Grain Team

There are many additional reasons why everyone needs to be concerned about grain quality in storage this year, including:

- * A lot of corn from the 2008 crop went into storage at higher moisture levels this past fall.*
- * Corn at different moisture levels is stored in the same bin.*
- * Extra drying and handling of corn increased fines in stored corn.*

PLEASE NOTE

**Price Later Can Not Be Used For Grain Under Loan
And Can Only Be Sold In The "Cash" Market**

(Price Later Contracts Will Carry A July 31, 2009 Expiration Date)



Producer Notes By Joel Carlson

In this month's newsletter article I want to talk about the importance of trace minerals and supplemental protein in your feed rations.

Now that winter is here and we have snow covering up the pastures where cows were getting most of their trace mineral and protein needs from this summer, we are now and in some cases have been feeding them stockpiled hay and corn stalks.

Since these sources can be deficient in meeting all of the protein and trace mineral needs of cows, we need to take a look at supplemental nutrition, and this is especially important for those of you who will have cows calving this spring.

With the addition of Land O' Lakes Purina Feeds to our resources and product lines, your Gold-Eagle Feed Team is able to provide you with some of the most convenient and economical ways to get these essential trace minerals into your cattle.

For example, we offer the Rangeland Tub product line, which includes a 30-13 tub, straight mineral, plus we offer the Rangeland Stress Care line of products.

The Rangeland 30-13 Tub is primarily designed as a source of supplemental protein, however with the addition of copper and zinc it also provides a way to control consumption while at the same time delivering these essential trace minerals to your cattle.

A Rangeland "Mineral" Tub is just what its name suggests: Mineral.

These are 225 pound tubs, so they won't blow away in the wind like loose mineral does, and that's a big plus with the way the wind blows these days.

In addition to being a low cost, effective and efficient way to provide your cattle with the minerals they need, they also have a consumption limiter so cattle don't over-consume.

As many of you know, trace minerals are very important in milk production, as well as in hoof and leg development, so making sure your cattle receive their trace mineral needs is the first step to preventing problems with those areas.

Trace minerals also play an impor-

tant role in muscle and organ development, as well as in other vital body and system development.

The Rangeland Stress Care product line is specifically designed to aid in the reduction of numerous stresses that affect performance, gains and health.

These include the stresses of weaning calves and the huge stresses created when shipping and receiving cattle.

Animals need to receive additional levels of vitamins and trace minerals to help them remain calm and to relieve these stresses, and this is specifically the purpose of the Stress Care line.

As we look at and consider the organic trace minerals, we see they are fast becoming a part of everyday life in the feeding industry. They have not only proven themselves in beef cattle and dairy animals, but they are also making a solid place for themselves in swine and poultry as well.

If you have any questions about trace minerals, the products and programs we handle, or if you want to be sure you're feeding the correct minerals to your animals, please feel free to give me a call and I will be more than happy to sit down with you to go over your program, your needs, and to answer any questions.

GRAIN FACTS

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under loan, and anyone who has bushels in this category needs to be careful and alert, since there has been an historic tendency to forget about getting these bushels into the market until the very last possible moment, just before the maturity date arrives.

Having such a large volume of bushels becoming available to the market all at basically the same time has traditionally been the cause of a major collapse in both the basis levels and the

cash price of corn as loans mature, which is why I encourage everyone to be aware of this potential again.

Is it possible corn is being held back with the feeling that prices "must" trade back to last year's levels?

We just came through a significant rally in corn that saw prices move up \$1.00, yet sales activity was anemic, so perhaps that sentiment is out there.

I know we would like to see the market push back up to last year's higher values, but as we know from experience, the market doesn't "have to do" anything just because we think it should or want it to.

Will this be that one year aberration when everyone who held on until the end, and then sold everything in the late summer, is proven right?

There is always that possibility, but as I mentioned earlier, the historical evidence suggests a basis and cash price collapse late in the season is much more likely to occur.

There are fewer beans under loan than we normally have, which suggests many are content to sell beans for cash to meet cash flow needs.

As always, we encourage you to establish firm marketing goals and pricing objectives, and to write them down so you can formalize the decision making process that went in to establishing them in the first place.

After all, to set a price objective you don't just pluck a figure out of thin air.

There are reasons why you pick it, and writing them down helps you remember those reasons when a market rally is in the works and the emotions to skip that selling opportunity start to slip in.

And of course please leave your offers with the Grain Team so we can help you capture your price targets when and if the market reaches them.



Representatives From P.R.C. Tour Gold-Eagle Mill

On December 12th a group of high ranking officials from the Ministry of Agriculture of the People's Republic of China were visiting and touring the Gold-Eagle Feed Mill in Eagle Grove.

We were pleased and honored to host these officials, who will be developing and shaping requirements and regulations for the importation of U.S. pork into the People's Republic of China for the future, along with determining guidelines and establishing the requirements for feeding antibiotics to pork raised in that vast nation.

Brad's Views

By
Brad Davis
General Manager



The start of every new year brings about a wide range of emotions, and I am sure as everyone welcomed in 2009 this was certainly true for you and your family, as it was for the Davis family and, I am fully confident in saying, for the entire Gold-Eagle family.

There were probably more sighs of relief and perhaps even outright celebrations at the passing of 2008 into the history books than we have had to give any recent departing year, since in so many ways it was a year of such monumental and historic extremes.

Some of them, of course, we would like to have savored even longer, like the days of record-setting corn and soybean prices, the remarkable earnings and escalating value of our retirement and investment funds.

Unfortunately, however, there were fewer of those than there were ones we wish we could forget, and which we certainly could have done without.

Those would include the ridiculous price for a gallon of gasoline or diesel fuel, the soaring costs for crop and livestock production inputs, and certainly the unprecedented collapse and free-fall of our crop, livestock, financial and other markets.

And of course how could I forget to include the extremes of weather, which came at us from January 1st with a harsh winter season that was far more severe than any we've had in over a decade, giving way to a late arriving and soggy spring, a short, late and pressure-packed fall, and winter once again, with ice, snow and deep freeze temperatures all the way through December.

To say that 2008 was a unique year would be an understatement of epic proportions, since in some cases the events and experiences that accompanied the year were extreme, rare and unprecedented.

Record highs gave way to record lows, and as I mentioned, that includes everything from rainfall amounts to temperature, corn and soybean prices to the stock markets, crude oil at \$150.00 per barrel to \$35.00, gasoline over four bucks a gallon to under a buck fifty.

At times things were changing so much and so quickly it was almost

GOLD-EAGLE COOPERATIVE 2009 BOARD OF DIRECTORS

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absurd, and often it was almost more than the emotions could bear, the mind absorb or the body withstand.

The year and all that went with it has certainly provided us with plenty of memories and with more than an ample supply of fodder to fuel countless conversations wherever and whenever people may gather.

Sadly, however, even the amazing things that have happened over the course of this past year, the record setting, the unique and the remarkable, and all the actual historical precedents that were set and shattered somehow seem to have still not been sufficient for that one group for whom reality is never quite enough: **The Gossips.**

I can't count the number of times I have entered a place of business or passed by a group of people gathered together to the all too familiar refrains:

"Have you heard about ...?"

"Did you hear about ...?"

Nor can I count the inquiries that I have received which all seem to have the same introductory remarks:

"Is it true that ...?"

"I heard such and such (or perhaps it was so and so) **say ..."**

"They (though **"they"** never has an actual name) **say that ..."**

What I find both amazing, and perhaps a little frustrating at the same time, is that not 30 days ago your Gold-Eagle Cooperative held its Annual Meeting at which a full presentation of the financial statements for the past year was presented, and

where ample opportunities existed for anyone with questions or concerns about anything regarding this cooperative's business could be asked, discussed and/or answered.

Even more discouraging is that it has long been the policy and position of each person serving on Board of Directors, and certainly my personal established policy and position as well, that we are all available to visit with any member about any reasonable item or issue of question or concern at any reasonable time.

Furthermore, I can assure you every Director, as well as myself, will make every possible and conceivable effort to respond fully to any valid issue or concern anyone may have, with only a very select few exceptions which for some reason might enter into confidential areas that should not be made public for the best interests of the cooperative's business.

To that end, I have included the names of your Gold-Eagle Board of Directors in this issue, and I will try to do so in every subsequent issue as space allows, so you can contact any of these men, or me, if you have valid issues, concerns or questions you wish to discuss.

By contacting one of these men, or me, you will be able to have accurate facts and answers rather than the suppositions, speculation, gossip and rumors of unsubstantiated, unnamed, anonymous, unreliable and uninformed sources.



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