

Green Valley Co-Op

The Green Valley View



Serving Farms in Southeast Ohio, Western Pennsylvania & Northern

Visit us on the web at www.greenvalleycoop.com

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As we start to wind down the fall harvest it certainly has been a year where less than ideal weather conditions have still created some excellent yields. Our agronomy division has been busy working with our local customers doing several side by side yield checks with our weigh wagon and we are seeing some great results. It appears the biggest challenge has been where to store the crop. The grain elevators have struggled to get enough rail cars to move the grain fast enough to continue to receive grain on a daily basis. As of this writing we are seeing grain prices going up on a daily basis while we struggle to find space for all of the grain. However, other countries have not enjoyed the abundant crop production as that of the U.S. Many foreign countries are dealing with severe drought. Perhaps we have reached the point that supply cannot keep up with the world demand or will there be some report that comes out and the whole game changes?

No doubt the current grain prices has created many opportunities and will also create some challenges. As the year progresses, we will need to work through these challenges together on next year's inputs and on feed ingredients.

We understand the urgency of your business and appreciate your need to proactively compete. Green Valley Co-Op and our employee team is here to help you capture opportunities and help you deal with the challenges as we embrace new technology and refine our current marketing programs.

This means you can count on us to do what's right for you, your community and your bottom line.

We would like to thank you for your business and wish you and your families a very Happy Thanksgiving.

Edward Harra
CEO & General Manager



Green Valley Co-Op
219 Third Street
Marietta, Ohio 45750
740-373-2875

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Agronomy Dept
Charlie Harris & Doug Seaman



**Thanks To All Who
Attended The Customer
Appreciation Dinner**

ULTRA LOW SULFUR DIESEL (ULSD)

During the last 20 years the fuel industry has gone through many changes. In the 1990'S the industry went from all high sulfur (5000 ppm) to low sulfur diesel (500 ppm) for on-road applications. When low sulfur diesel first came to the market, it was a nightmare for many people because there were many seal and pump problems. Now we have ULSD at 15 ppm sulfur for both on-road and off-road applications.

With the transition to ULSD the air is cleaner due to the new emission standards on new equipment which are helping to reduce the amount of pollution put into the air.

However the lower sulfur content of ULSD means less lubricity. Using untreated fuel may lead to pump and injector issues. The solution for the lubricity is to buy Green Valley Co-op's Deselex diesel fuel. We treat our diesel to increase lubricity and anti-wear properties. Deselex meets and exceeds John Deere and Stanadyne requirements for added lubricity in ULSD.

Lower lubricity is not the only issue with Ultra low sulfur diesel fuel. The sulfur also seems to keep the algae in check. With 15ppm diesel fuel algae seems to be running wild. Algae looks like slime and can usually be seen in the filter. Algae are a tougher fix than lower lubricity. To correct you need to understand how algae grow. Algae need oxygen to live. It gets its oxygen from the water in your fuel tank. And how does water get in your tank? The two most common sources of water are condensation and hydro treating. Condensation forms when humid air comes in contact with cold surfaces such as fuel tanks. Full tanks (less air space) seem to condensate less. Hydro treating is a process used to remove the sulfur from fuel. One of the by products from the process is very small droplets of water entrapped in the fuel. Our Deselex additive aides in keeping these small droplets in suspension but if other water is present their effectiveness is reduced. With the challenges of algae storage tank maintenance becomes even more important.

Ways to reduce condensation in storage tanks:

- 1 Keep storage tanks full during high humidity months.
- 2 Paint tanks a light color so they hold less heat.
- 3 Shade tanks from the afternoon sun.
- 4 Treat tanks with biocide when algae are found.

Green Valley Co-op has biocide available and treats its' storage tank a few times per year. Green Valley Co-op is ready to "KEEP YOU RUNNING STRONG and WARM ALL SEASON LONG".

Joe Hart
Energy Department

Fall has arrived with all of its vibrant colors. When I drive through the local countryside, I am amazed by the progress of this year's harvest. We are only into the first half of October, and many producers are in the late stages of finishing up their corn and bean harvests. Although there have been complaints about the drier conditions hurting performance, locally, I have heard reports of some very strong yields on both corn and beans. From across the state, many producers have been experiencing the same results and many elevators almost maxed out with their storage capabilities. With that said, we have recently seen a tremendous price increase in both the corn and soybean markets. Within a one week span (October 7-14), we have seen corn go up over \$.65/bu. Beans have followed suit. Additionally, wheat and oat prices have been climbing ever higher as well. Finally, following the upward trend of these commodity prices, by-products such as soybean meal, distiller's grains, soy hull pellets and corn gluten feeds have also risen substantially in price over the past few weeks.

What are the causes for these upturns in the markets? There are several factors influencing these commodity markets. First of all, we truly live in a global economy. Factors far outside our national borders have great influences on our domestic grain prices. The Soviet Union experienced a severe drought this year that resulted in a calamitous wheat crop; Europe was also negatively affected by the same weather pattern. The Canadian oat crop was below average in size and quality due to weather issues. Parts of China experienced drier conditions and some parts of the Chinese grain belt were hurt by an early frost. China is predicted to be a significant importer of both US beans and corn. The export demand for our grains is further fueled by a weak dollar that makes our exports more enticing to some foreign importers. Additionally, commodity markets have been more attractive than the stock market for speculative investing and so we have seen a lot of investment monies coming into the commodity markets, further fueling the volatile grain market's upward trend. Finally, the USDA report that was released on Friday, October 8th, showed lower carryover and yield numbers and stronger export demands for many of these commodities. The by-products that I listed above are tightly tied to grain markets, export demands and the basic principles of supply and demand; combined, these factors have been the primary causes for these respective items gaining pricing strength these past few weeks. With the many factors affecting our ingredient costs, it is not a simple matter of trying to second guess the markets and hedging against ups and downs.

What does this mean for feed prices? Over the past weeks, our bagged/bulk feed ingredients, house feed lines, custom diets, and packaged commercial animal foods have seen some increases. Green Valley is committed to providing cost-effective diets to the market as affordable as the commodity markets allow us to do. Knowing that farm and household budgets are tight, we at Green Valley understand how these feed price increases negatively impact our customers. When feed prices start to increase many people try to cut costs by looking for "cheaper feeds" and even cutting back on the amount that they feed their animals. Keep in mind that there is a fine line between cutting costs and cutting nutrition. I have often found that when you try to cut corners nutritionally, you often times see that savings swallowed by reduced animal performance and health. As we cut nutrition levels for animals being raised for meat, egg or milk production, we have the potential of lower performance of the animal leading to less overall returns. Additionally, you run the risk of hurting their immune and reproductive functions, which can impair its health and performance. Lower-cost feed alternatives and/or poor levels of nutrition can have an effect on animals that are raised for pleasure, in poorer animal condition, health and its ability to provide the same level of pleasure.

We at Green Valley are committed to providing nutritionally balanced diets for your animals. We strive to keep the costs as low as possible without jeopardizing animal performance or health. We continue to get daily feedback from our customers telling us how well our many feeds perform. We greatly appreciate your business and we continue to strive to provide cost-effective nutrition to our customers.

Ben Delong
Feed Manager



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Residue Issues with Corn

High yields can have a few more concerns other than just the thought of not having enough storage space. With yields over 200 bushel per acre, you start to see that the major problem is the amount of residue left behind. Three of the main risks with excessive residue are: 1) Diseases such as gray leaf spot, diplodia, anthracnose, and northern corn leaf blight. This can be carried over through the winter to next year's crop. 2) Excessive residue can give us challenges, at planting time, lowering our chances of having an excellent stand. 3) If the decomposition occurs during the growing season, the Nitrogen required for decomposition can lower the amount of Nitrogen available for extra yield potential.

When considering the disease pressure brought on by heavy corn residue, you may want to evaluate the crop rotation program you have selected for the following year. If you experience diplodia this fall you may want to consider planting soybeans next spring. Sometimes problems can be more prevalent with a continuous corn program. If you decide to continue with corn please consider hybrid selection and planter attachments.

Row cleaners are a major plus when planting back into heavy corn residue as they help you get better seed to soil contact for better emergence. The decomposition of this residue is a balance between your Carbon/Nitrogen ratio and the microbes in your soil. The microbes thrive on a C/N ratio of 10:1 and corn stalks and leaves have a C/N ratio of 32:1. This would indicate that more N would be needed to help decompose the residue. With heavy residue in a continuous corn rotation, you want to consider higher rates of N the following year because some of your N may be utilized by the microbes for breaking down residue instead of making you more bushels. The extra amount of N can depend on the harvest time of the crop and also the weather between harvest and planting. These are just some of the general concepts of working with heavy residue. Have more questions?

Contact your local Green Valley Co-op Representative.

Doug Seaman & Charlie Harris
Agronomy Specialist