



# THE HAY STACK

December 2019

## *Fertilizer Market by Jimmy Sieperda*

The challenging year of 2019 definitely had an impact on the fertilizer market. From the fertilizer manufacturers to our customers, no one had ever seen a year like this and, therefore, no one had any historical data on what to do. Some of these impacts were not necessarily bad, just different and challenging, while other impacts were to our benefit. For example, one of the differences was at the end of the summer when allocations of UAN (28%) made it difficult for us to buy the tons we needed at the time we would typically buy them to take advantage of a program to fill our tanks. We eventually got what we needed, but it was just different. A benefit though, was that a surplus of fertilizer from 2019, along with other factors in the world market, caused some fertilizer products to come down in price since this summer. Phosphates led the way with the biggest drop and the market still remains soft today. MAP prices are lower than they've been in over 12 years and the price is below the cost of production in the United States, causing some plants to have to stop production. Nitrogen is a bit lower than it was at this time last year, while potash and AMS are remaining flat.

As with any commodity market, there are different speculations on what the future will hold. But as of right now prices are good and it looks like they will be throughout the prepay season. Typically prices are cheaper this time of year than they are in spring and more than likely this year won't be any different. My advice is to remain consistent. If you normally prepay for fertilizer, then stick with that method.

The resiliency of our customers to get through this year has been amazing to see. We will work hard to stay consistent, yet will be resilient and adapt when needed in order to meet the needs of our customers so we can all have a successful 2020 season.

## **CROPLIFE 100 LIST, VALLEY AG SUPPLY IS ON IT!**



Croplife is the "nation's brand leader in ag retail communication" and has been around since the 1890s. Yearly, they compile a list of the top 100 largest ag retailers in the United States.

After filling out a somewhat lengthy five page questionnaire and doing some calculations, our numbers were sent in and compared to other companies all over the United States with revenues ranging from more than \$1 billion. For the third year

in a row, Valley Ag Supply has been on this list, this year at #96! That's like the Billboard Top 100 list! The current and former #1 was Nutrien Ag Solutions, which is based out of Loveland, Colorado and in Saskatoon, SK Canada. What separates us from the bigger players is when you buy from us, your money is staying in the Clay, Union, and Yankton counties.

Even on a down year, we are super excited that we kept up and maintained our spot. Thank you for supporting us, a local and independently owned ag retailer.

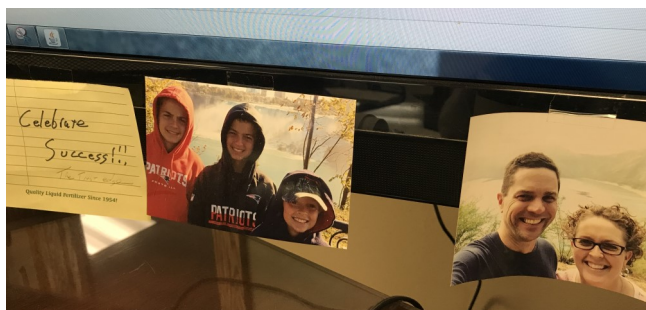
## From Tara's Desk

Reading an article recently, “Suppliers Agree on 2019 season: ‘It’s Unprecedented’ “ That’s a good way to explain 2019, probably a little classier than the words I’d use to describe this year!

Valley Ag turns 20 in a bit more than a month. 1/14/2020 she will be 20. I’ve always called her my most demanding child. We raised three sons (They are 16, 16 and 12 so not totally raised!) and I’ll always say that Valley Ag Supply was/is the toughest to raise.

Greg was most confident that Valley Ag Supply would be a force to be reckoned with - it made me smile when we started in the fall of 1999 with a 1962 International water truck and a 1997 854 Rogator. We weren’t yet married, just finishing college --it seemed like a bit of a stretch. Now here I am 20 years later. You can’t imagine the feeling of celebrating this milestone without Greg. You’ll feel the 20<sup>th</sup> anniversary celebration vibe at our customer appreciation Christmas party December 17 at the Gayville Community Center. I will celebrate this anniversary with my crew without a big party like we’ve done for past anniversaries. I thank my crew whole-heartedly. They have accomplished so much, learned and worked so hard in the past years that they deserve a massive thank you. Greg told me repeatedly over the years ‘everyone is replaceable’ and ‘you can run this place without me’. It irked me when he’d say it, I’d request not being in that situation and go on about my day. I wouldn’t have dreamt he’d not be here to celebrate this milestone with me. But, there’s a great team here continuing the dream to keep Valley Ag Supply running successfully for years to come.

There’s still a business to run. There are successes to celebrate. The reminder (photo) is in Greg’s penmanship—Celebrate Success!!! with not one, but three, exclamation points. We are doing a better job of celebrating successes—there are so many to be proud of. Sales are at 97% of last year which is a mighty fine accomplishment given the wet year. Seed prepay was incredibly strong at the first deadline. Our fertilizer plant addition is operational and has given us more storage than ever before. We’re within 1500 acres of the most fall acres ever spread.



As we look forward to 2020 financing will be important; for this prepay season and into 2020. Our newest financing option is Secure from Winfield United. It offers a low interest rate for high credit score borrowers (1.5%) and a bit higher interest rate for the slightly lower credit scored customers (2.5%). There will be a 2.25% fee on top of the interest rate. Making the total interest rate 3.75% for the highest credit score customers,. If you have more specific questions about the financing options, please give me a call. With all financials, field plans, yields and payments we hold your information in the strictest of confidence. ~Tara Pirak

	Interest Rate	Vendor	Min Purchase	Payment Due Date	Notes
Bayer	0.00%	JDF or Rabo	\$ 10,000.00	11/1/2020	must purchase 2 or more Bayer products
BASF	0.00%	JDF or Rabo	\$ 15,000.00	12/1/2020	must purchase 3 or more BASF products
Corteva	Prime - 1%	Pioneer	\$ -	12/1/2020	
FMC	0.00%	John Deere Financial	\$ 10,000.00	12/1/2020	
Syngenta	1.90%	Rabo	\$ 10,000.00	12/15/2020	
Secure	1.50%	Winfield	\$ -	2/1/2020	for seed (Asgrow, Dekalb or Croplan) and chem (not Roundup), not fertilizer + 2.25% fee

## Prepay Season 12/26/19-1/3/20 by Alan Moehring

Why is it important to come in and talk with us about your chemical and fertilizer needs for the 2020 season? The first reason most people come in and pay early is because an accountant told them they need to spend some money yet this year. Makes a lot of sense, as it helps keep a grower's taxes a bit lower and more affordable.

The next reason, which makes sense for people who have some extra cash, is they get a better price on the chemical they are going to use in the next year. We use your money to buy the chemical early which gets us a better price so we are able to pass our savings onto you. Savings could average between 7-9% depending on seed or chemical and what company the product is from. If a person doesn't have extra cash to pay early and would have to take out a loan at the bank it doesn't always make as much sense with paying higher interest rates at the bank just to get a prepay price. However, we have multiple financing options from 0%-3.75% to use on seed and chemical to help make that prepay a better option.

Probably the most important reason is it gives us all a chance to talk about what worked well and where we might be able to improve in your operation while things are still fresh in our minds from the last season. It gives us time to start talking some spring fertilizer prices and what to expect for inputs to grow next season's crops and again where we could make some improvements compared to last year.

One last nice reason to come in and talk with us during prepay time (even if you aren't prepaying) is to get a plan put together for next year. This will alleviate some of the stress during the hectic spring time. If we know what you plan to plant in each field, what our yield goal is, what fertilizer we wanted to use, and what chemical works best in your fields, then even if something changes we have an idea of what way to go to make the costs similar. We can call you with a couple options on what we are going to switch or what fields we can plant into quickly and not have issues with herbicide carryover.

20<sup>th</sup>  
ANNIVERSARY

*Est. 2000*



*Annual Valley Ag Supply  
Customer Appreciation  
Christmas party in Gayville,  
Tues. Dec. 17 at noon!*

### *A note from Leah Bunkers...*

December is finally here, and it is time to wrap up 2019. Thank goodness! It has been a rollercoaster of a year, and it is definitely time for it to come to an end.

As we wrap up the year there are a few important dates to keep in mind. Prepay days will begin **December 26 through January 3<sup>rd</sup>**. The next seed prepay deadline is **January 17<sup>th</sup>**. After that, there will be no cash discounts.



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## ***The Importance of Sulfur by Scott Bottorff***

Sulfur is as necessary to the plant as phosphate and is considered an essential nutrient. It helps form enzymes and assists in the formation of plant proteins. Sulfur is usually needed in lower amounts depending on soil types. In soils with low organic matter and higher PH, the less mineralization there is, the

more sulfur is needed. Also, in soil tests with high p2 levels, sulfur helps release some of the phosphate and make it more available to the plant.

Sulfur deficiencies can cause serious plant health problems. The deficient plants will have interveinal chlorosis of the upper leaves and small plants may be light green all over. Sulfur is im-

mobile in the plant, so it does not translocate from older to younger leaves. Therefore, crops need sufficient sulfur available in the soil for uptake throughout the growing season. Adding sulfur will also give you darker green leaves giving you a healthier plant, and can also help soybeans put on more nodules. Again, depending on your soil test, corn can use 16 to 35 pounds of sulfur per 200 bushels; soybeans can use 10 pounds for 60 bushels and double these amounts if you take the stover off.

Another reason to remember why we are needing more sulfur is with the clean air act of 1990 there is less sulfur going in the air with low sulfur fuels and cleaner emissions from factories and machines.



**Contact Us!**

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