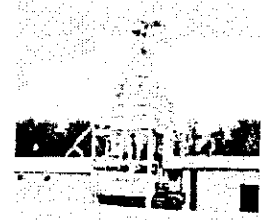
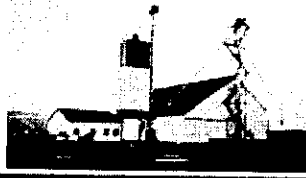
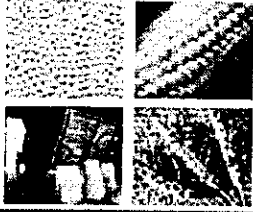


AGRILAND CO-OP



Service from the people you KNOW to help you GROW!

DECEMBER 2008 NEWSLETTER

A year in review – by Kathy Schneider, Controller

As you are aware our fiscal year ended in August. We had another successful year with our total sales at \$32 million, up about \$7 million over last year. Our feed and fertilizer tons and bags were up, as well as gallons of petroleum. Our local net profit was \$1.8 million. We also had just over \$10 million in prepay sales. This helped us keep our working capital in a great position throughout the year. We were also able to pay off 2 of our existing long term loans. We will be paying back patronage for the past fiscal year at the rate of 6%. We will pay 30% in cash and 70% will go into your equity.

In this past year, we paid back equity from business done in 1990 and 1991, 30% cash patronage from fiscal year end 2007 and estates which amounted to approximately \$480,000. This next fiscal year, the Board of Directors, will review paying back equity from 1992.

Following is a list of members that we do not have a current address and had equity coming from 1990 or 1991: (last address we had)

Vonal Curran (N5576 Route 3 Cty V, Fond du Lac)
John A. Evans (N5419 Buena Vista Drive, Fond du Lac)
William A. Meyer (272 Willsher Drive, Fond du Lac)
Jeffery Sonnenberg (Box 155, 529 Main St. Brownsville)
Delmar C. Hanson (N5460 Dondor Dr, Fond du Lac)
Dale Wood (W2956 Walnut Rd, Fond du Lac)

We have re-designed our statements which were mailed on December 2nd, if you have any comments on the statement or if you know any of the people listed above, please call Kathy at 923-7960.

Just a friendly reminder, please allow plenty of mail time so that payments are received before the end of the month. This is really important if you use our street address because we do not receive this mail until 12:30 or later which is usually too late to get posted before statements are ran at the beginning of each month. This will result in you receiving a finance charge.

The credit committee of the Board of Directors will be meeting at our December board meeting to review the cash discount program, along with any other credit policies. We removed the 2% cash discount in the fall because it really didn't work. Most of the companies we do business with have terms that are 10 days. We realize that customers don't have time on their hands to be constantly writing out checks. So therefore we are looking into this matter and hope to have a policy that will work for us and you, our customers, in the near future.

AGRONOMY DEPARTMENT

What is in my control? – by Brian Madigan, Agronomist

Price time comparison	CBOT Dec 08							
	Dow	Crude Oil	Urea	Potash	Milk Class I	Corn	Soybean	Wheat
Nov 07	13042	95.00	455.00	350.00	21.45	4.20	9.75	6.85
Feb 08	12743	90.00	500.00	525.00	19.68	5.23	12.50	8.90
May 08	12831	118.00	600.00	650.00	16.62	6.26	12.35	8.50
Jul 08	11382	132.00	725.00	700.00	20.78	7.82	16.50	9.10
Sept 08	11517	118.00	920.00	825.00	17.65	5.50	11.90	7.50
Nov 08	9320	50.00	740.00	825.00	17.33	3.75	9.25	5.25
Average	11756	100.50	656.67	645.83	18.92	5.46	12.04	7.68
High		147.00	920.00	825.00	21.83	9.25	16.50	12.75
		July	Sept	Oct??	Nov 07	June	July	March
% of average								
Nov 07	110%	95%	69%	54%	113%	77%	81%	89%
Feb 08	108%	90%	76%	81%	104%	96%	104%	116%
May 08	109%	117%	91%	101%	88%	115%	103%	111%
Jul 08	97%	131%	110%	108%	110%	143%	137%	118%
Sept 08	98%	117%	140%	128%	93%	101%	99%	98%
Nov 08	79%	50%	113%	128%	92%	69%	77%	68%
Average	100%	100%	100%	100%	100%	100%	100%	100%

With all the volatility in the market and in our weather this past year, most farmers are at a lost when trying to figure out where they stand. So often we try to figure out an average cost per acre, and then try to use an average yield to target prices. We maybe planted 100 acre this year, but harvested 90. We ranged in yields from 0-280 bushels of corn, 0-75 in soybeans, but averaged 140-160 and 40-45 respectively. So, what constants can we take home from this?

The corn price is pretty well tied to the oil market. If that has hit its low, then we probably are at a harvest low. Does anyone really think OPEC will let this go any lower? We are going to grow a new crop next year. You need to make plans to try and grow the best crop you can. We know weather affects us, but we can control the weeds before they get bad. We can sidedress the nitrogen so as not lose as much. Rotation is still worth 10 bushels more corn.

Put your best corn out there. 10 bushel extra corn at \$3.20 is worth \$80 per bag more. Based upon the stress mitigation plot at Adam Averbeck, VT3 corn replaces insecticide on corn on corn, saving you over \$15/ acre in cost.

The US will still grow corn, and use N, P, K. If everyone waits until spring to buy, will there be enough time to apply all the fertilizer? Many dealers in Illinois are having there slowest falls ever for ammonia application. If they switch to urea or 28%, what will happen to the supply later for our area? We usually plant the entire Midwest in roughly 4 weeks time. My advice is to make sure you have some product bought before April.

Count on DEKALB® for Superior Performance

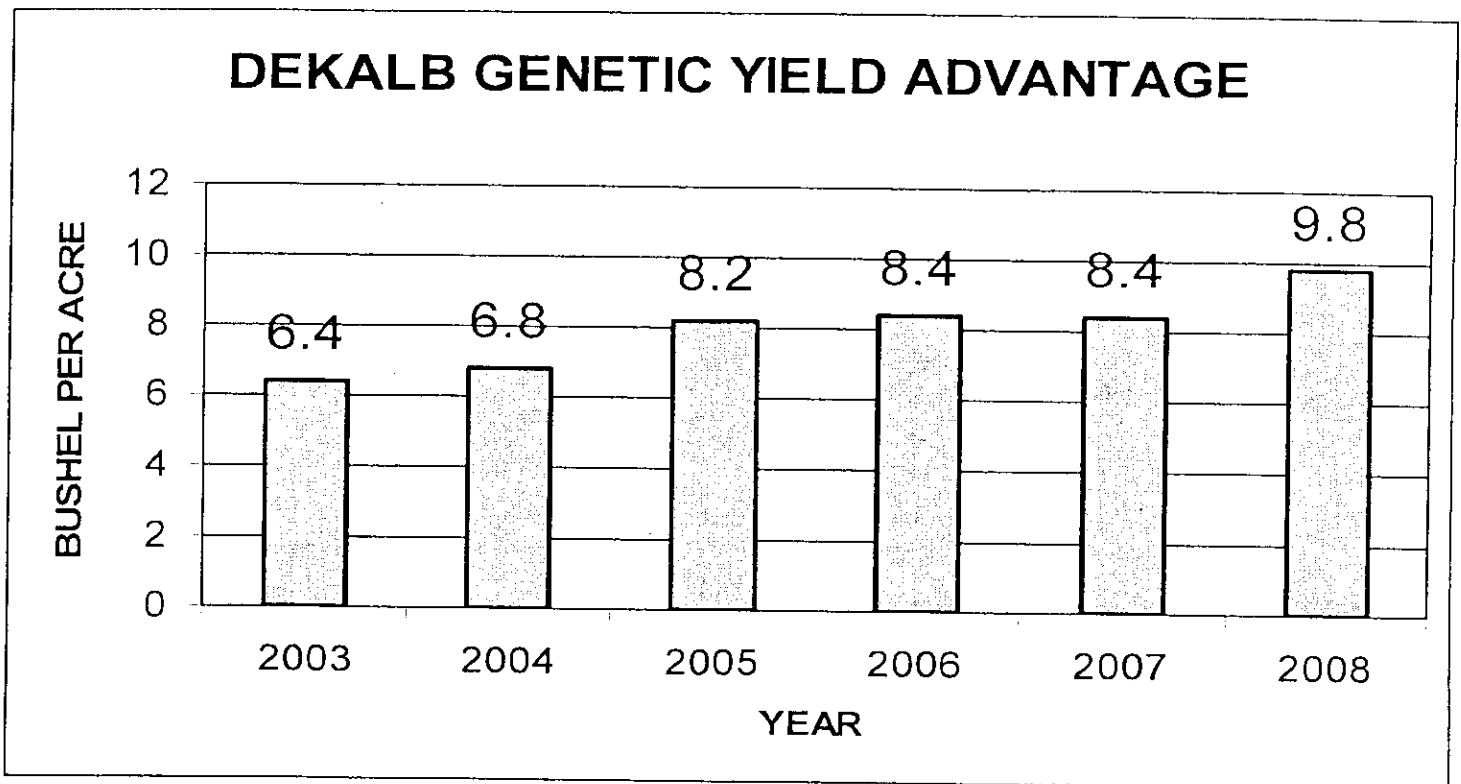
DEKALB exclusive brands deliver the confidence of strong roots, strong stalks, and even stronger yields. Backed by advanced breeding, research, and trait innovation to increase yields, DEKALB delivers top performance.

See for yourself the DEKALB advantage.

Advantage of DEKALB® Genetics: Strong Roots, Stalks and Yields, Plus Better Drydown Lead to a Profit Potential Advantage.

The Yield Advantage

Year after year, exclusive genetics from DEKALB brand seeds deliver consistent performance that out-yields competitors' leading products.



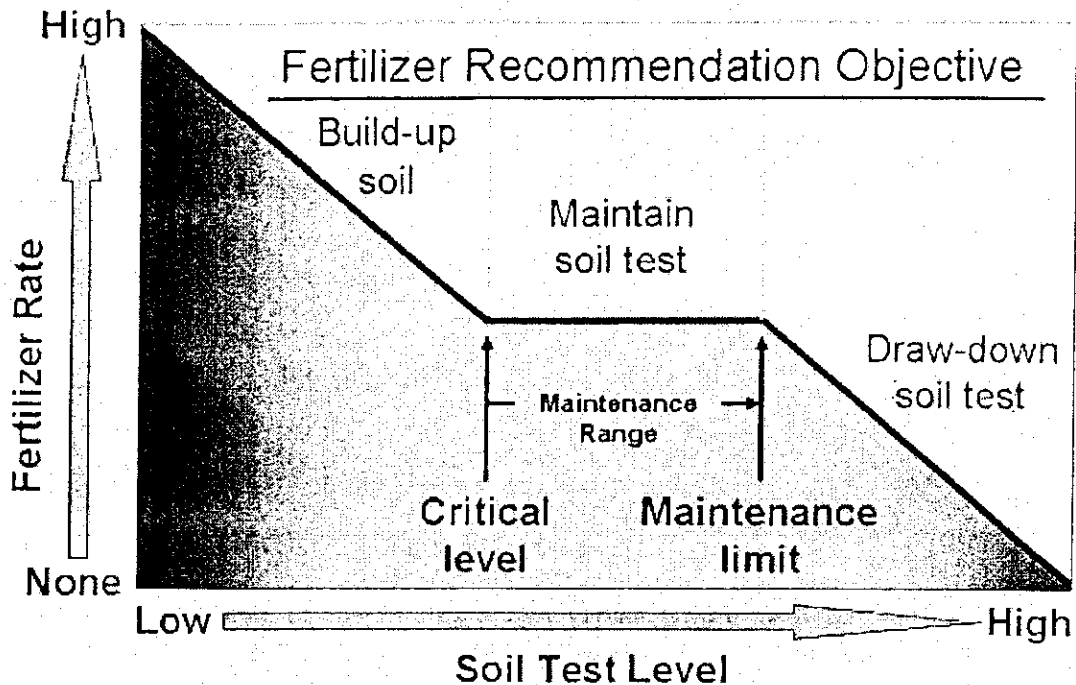
Source: More than 200,000 Monsanto and third-party head-to-head comparisons from 2003-2008.

In 2008, Monsanto's DEKALB corn seed realized an average yield of 199 bu/acre. A competitive advantage of 9.8 bu/acre from >12,800 apple to apple comparisons. At a \$4.00 bushel corn price, Monsanto contends its DEKALB seed provides higher yields and lower moisture that translates into \$25-\$65/acre advantage.

DEKALB® is focused on rapidly integrating traits farmers want into the newest high-yielding, exclusive genetics. Most importantly, this ensures we deliver a broad lineup of products that combine the best germplasm with the latest traits for maximum yield potential.

To help make product decisions for 2009, you can access local yield data and technical information at monsantoperformance.com.

Dealing with High-Priced P and K Fertilizer – by Brian Madigan, Agronomist



Critical soil test levels need to be maintained. The likelihood and magnitude of yield response to P and K increases as soil test fall below critical levels. On average, most soils in Agri-Land Co-op's trade area need to maintain 15-25 ppm of P and 100 ppm K.

If you don't fertilize, you drop 1 ppm of P for every 20 lbs P₂O₅ removed. For K, 1 ppm for every 6 lbs removed with a CEC of 10.

How fast can we drop?

180 bu corn x .37 lb P₂O₅/bu = 66 lb P and .27 lb K₂O/bu = 49 lbs K

45 bu soybeans x .80 lb P₂O₅/bu = 36 lb P and 1.4 lb K₂O/bu = 63 lbs K

80 bu wheat x .63 lb P₂O₅/bu = 50 lb P and .37 K₂O/bu = 30 lbs K

Over the 3 year rotation, we used 152 lbs P and 142 lbs K. With no additional fertilizer added, we can drop 8 ppm P and 24 ppm K. If you had 40 ppm P, and 150 ppm K, we will go from EH levels to Optimum in 1 rotation, and to low levels in 2 rotations.

Now is a good time to save some money on fertilizer if you have high soil test levels. However, if your soil test levels are below critical levels, your crop yield will be limited. The loss will likely be greater than the cost of the fertilizer.

Data here was taken from <http://www.agry.purdue.edu/ext/corn/news/articles.08/pkfert-0915.html>. Also, consult Wisconsin Extension bulletin A2809.

****NEW TO OUR GROUP****



Hello, my name is Steve Feucht, and I am the new agronomist at the Fond du Lac location. I reside in Eden, with my wife of twelve years, Holly, and our two boys, Levi, 10 and Peyton, 8. I grew up on a hobby farm in the Eden area, worked on several area farms, and acquired an appreciation for the land and what farming involves. I graduated from Campbellsport High School, and went on to earn my B.S. in Agriculture, Soils from the University of Wisconsin-River Falls. In my spare time I enjoy hunting, camping, and coaching youth baseball. I am involved in the community by volunteering as a Cub Scout leader, and serve as president of the Eden Junior Athletic Association.



My name is Nathan Strutz, a dairy production specialist that joined Agri-Land in January of 2008. I grew up on a dairy farm in Two Rivers. I graduated from the University of Wisconsin-Platteville in 2003 with a Bachelors of Science Degree in Agri-business with a minor in Animal Science. Before joining Agri-Land I worked in the AI industry for three years and have pursued other non-agricultural fields as well. My wife Kate and I reside in Fond du Lac and are expecting our first child in January.

Malone News – by Dick Schaefer, Agronomist

It's been an exciting summer at Malone this year. In April we started excavation for the new 3000 ton addition to the fertilizer plant and 130 ton blending tower. Many patrons were stopping in just to see how things were going and were amazed at how fast the building was going up. In mid-July the blending tower was delivered, and shortly after the contractors started to install the unloading equipment and assemble the tower.

In mid-May we started excavation for the new feed mill warehouse, a joint feed/fertilizer office, and a work shop. During construction we were blessed with the floods of June, just to slow things down. We, like every one else, just kept rowing along.

On September 10 we unloaded the 1st load of fertilizer into the new plant, and the first load went through the tower to be delivered on October 1st. Load in time was cut in half, and the load out time is unbelievable.

On October 19 we had an open house with around 300 patrons attending. It was a little windy, but a good time was had by those in attendance. On October 20th we started moving into the new office and shop. It's hard to believe how much JUNK can accumulate over the years.

FEED DEPARTMENT

Blocks, Blocks, Blocks

Why blocks? They are economical, easy to handle and transport, they have balanced nutrition AND animals love them! Blocks take longer to consume so they are a fantastic way to keep the wildlife around longer for viewing pleasure. These wildlife blocks are already stocked at Agri-Land Co-op.



Purina Mills® Premium Deer Block

A highly palatable, easy-to-use, 20-pound premium block supplement for attracting and maintaining deer. Provides more balanced nutrition than whole grains.

Purina Mills® Premium Wildlife Block

A highly palatable, easy-to-use, 20-pound premium block supplement for attracting and maintaining squirrels, chipmunks, rabbits, deer, wild birds and other types of wildlife. Provides more balanced nutrition than whole grains.

Purina Mills® Premium Wild Bird Block

A highly palatable, easy-to-use, 20-pound premium block supplement for attracting and maintaining cardinals, doves, chickadees, finches and other wild birds. Provides more balanced nutrition than whole grains.

**BALANCE THE ENERGY DEFICIT WITH
LAND O'LAKES PURINA FEEDS'**

PROPEL™

ENERGY NUGGET
FRESH COWS EAT IT UP

Land O'Lakes Purina Feed and Agriland Co-op will soon launch a new, highly-palatable, high-energy fat product specially formulated to be used as a nutritional supplement for lactating and post-fresh dairy rations called Propel® Energy Nugget. To produce this product Land O'Lakes Purina Feed developed a proprietary Macro-Encapsulation™ Technology. This is just one of the reasons Propel® Energy Nugget is different from all other high energy supplements on the market today.

ENERGY IS CRITICAL DURING TRANSITION

Why should I feed the Propel® Energy Nugget to fresh cows? Well almost immediately after calving, energy demands soar. The abrupt lactation demands can quickly drain a fresh cow's energy reserves. Also, keeping fresh cows on feed and consuming a ration high in energy is not always easy, and low intakes and energy absorption often contribute to higher culling rates the first 60 days in milk. Even with the best energy supplements, adding fat to the ration only helps if a cow eats it well. Fresh cows are extremely susceptible to intake depression and will be less likely to consume the pounds of dry matter needed to ramp up production and maintain cow health if their feed is not palatable. The Propel® Energy Nugget has been found to be very palatable.

PALATABILITY MAKES A DIFFERENCE

In a study conducted at Longview Animal Nutrition Center in July 2008, Propel® Energy Nugget was preferred by lactating cows over a leading calcium salt fatty acid product 17 to 1, and preferred over a leading prilled fat product 10 to 1. With Propel® Energy Nugget's higher preference rates over other fat sources, it's possible to achieve the high energy and high intakes fresh cows need to perform. Andy Mueller, Land O'Lakes Purina Feed dairy consultant in Minnesota, reports that at a field demonstration herd he works with intakes and milk production have increased, since they switched to Propel® Energy Nugget and away from a calcium salt fatty acid product.

ENERGY IS CRITICAL TO MILK PRODUCTION

Do lactating cows need the Propel® Energy Nugget? The answer is yes. When energy demand is at its highest during peak lactation, cows need a very palatable feed supplement that provides a consistent source of energy to meet their needs. Many supplemental energy sources, often supplemental fats, can cause negative side-effects including: reduced dry matter intake, lower milk components, poor digestibility, and diminished fiber digestion. Feeding Propel® Energy Nugget can help you avoid these negative affects, because it is a protected fat source that is palatable. Propel® Energy Nugget delivers what is important to producers in an energy source for their lactating cows: good intake and high energy which can improve body condition scores and lead to better reproductive health, performance, and profit potential.

Propel® Energy Nugget is backed by Land O'Lakes Purina Feed's decades of energy nugget experience, research and innovation. Propel® Energy Nugget will soon be available at Agri-Land Co-op.

Goat Block Now Available



NEW!!! Purina Mills® Goat Block

This pressed block contains 18% protein with 50 ppm copper along with added selenium, zinc, plus Vitamins A, D & E. Use to supplement forage. Feed limited amounts during first few days and then offer free choice. Provide 1 block per 12-15 head of goats.

Using Bleach Effectively

Calving Ease November 2008

Bleach, our common name for a weak aqueous solution of sodium hypochlorite, is a very useful disinfectant and cleaning compound. And, even better, it is inexpensive. However, in order to get our money's worth bleach must be stored and used properly.

Shelf life for bleach

The length of time the bleach remains usable is usually measured by what we call "shelf life." Chemists know the factors that determine the stability of bleach solutions. They are:

- Concentration – the weaker the solution, the longer the shelf life.
- Temperature – the cooler the solution, the longer the shelf life.
- pH – the higher the pH, the longer the shelf life (up to about 11.5).
- Concentration of impurities – avoid exposure to copper, iron and cobalt.
- Light – avoid light exposure.

"In summary, the most stable solutions [longest shelf life] are those of low hypochlorite concentration, with a pH of 10 or higher, low copper, iron and nickel content, and stored in the dark at low temperatures." ([Pioneer Chemical Co., "Stability of Sodium Hypochlorite Solutions"]). The one factor that we often control is the temperature at which bleach is stored. We may not have facilities to keep it cool in the summer. However, we can avoid locations that tend to have very high temperatures. Especially to be avoided is a location near refrigeration compressors. The rate of decomposition, nevertheless, even under favorable conditions is still fairly rapid. When stored at room temperature out of sunlight we can expect to have nearly full-strength bleach for a month. By three months household bleach will have lost slightly over eleven percent of its active ingredient. This means more frequent purchases are better than buying large volumes annually or semi-annually. For manual washing where we use liquid bleach, our best buy is the place with the freshest supply. That's probably the store-brand bleach from the busiest supermarket in town. Fortunately many on-farm uses allow us to increase the volume used to compensate for decreases in concentration due to decomposition. This strategy probably is cost effective given the original low cost per gallon.

Cleaning equipment

It is well known that including bleach with a detergent promotes effective cleaning of equipment exposed to milk solids. Some farms use a dry powder product that combines the detergent and sodium hypochlorite. Others choose to add bleach as a liquid to wash water. In both cases milk proteins are more effectively removed from surfaces than when the detergent is used alone. The presence of milk solids, however, rapidly degrades the sodium hypochlorite ingredient in bleach. In a study using several milk components it was shown that milk proteins, especially casein, degrade bleach rapidly (Hekmati & Bradley). Therefore, it is essential to remove as much of the milk solids before starting the "washing" step in the cleaning process. That is, before washing equipment in a hot water solution of detergent and bleach be sure to rinse all surfaces thoroughly with lukewarm water.

Sanitizing equipment

It is also known that the bactericidal effect of bleach is increased by:

- Time – the longer exposure to the solution the better it kills.
- Concentration – the stronger the solution the better it kills.
- Temperature – the hotter the solution the better it kills.

Thus, more effective kills of regrowth bacteria on equipment surfaces depend on using a strong, hot solution and making exposure as long as is practical.

A 4-Step Cleaning Procedure is Essential

Remember, this 4-step cleaning procedure includes:

- use a lukewarm prewash rinse,
- brush using hot water for the wash with both soap and bleach,
- use an acid rinse, and
- allow the equipment to dry thoroughly between uses.

When we substitute bleach soaks for regular washing, equipment biofilms support large Staph and Strep species populations. At low levels, these bacteria are not necessarily harmful to young calves. However, we frequently find high bacterial concentrations in milk, milk replacer or colostrum that come in contact with bottles, tube feeders and pails that are cleaned by soaking them in bleach. The recommended procedure? Wash equipment after every use including bleach in the wash water. Soak with bleach and hot water occasionally to back up an effective washing program. The proper soaking dilution of household bleach is about 2.7 cups (21 fluid ounces) in 5 gallons of water (2,000 PPM).



Introducing Biomax® LB and Biomax® O

Agri-Land Co-op has added Biomax LB and Biomax O to our NutriSave line up of quality inoculants.

Have you been concerned about your silage heating due to high yeast levels in your silages? Biomax LB contains novel bacteria, *Lactobacillus buchneri*, proven to enhance silage bunk life. Biomax LB produces higher levels of acetic acid that limits yeast growth at feed out.

Here are some conditions that might favor choosing Biomax LB:

- Crops high in soluble sugars or starch
- Crops with high initial yeast and mold counts
- Bunker or drive-over piles with minimal feed-out rates (large surface area exposed to air)
- Silages or HM grains fed in hot, humid weather
- Silages moved from one storage structure to another
- Ensiled forages that carry excess soil-borne organisms

The benefits of using this product will depend on how much feed can be saved by reducing losses where heating and molding of silages are a problem.

Biomax O is a new OMRI Listed® certified organic silage inoculant. Biomax O contains *Lactobacillus plantarum* proven to enhance silage dry matter recovery. Silage treated with Biomax O may be fed to all species of animals.

Biomax LB and Biomax O are management tools to improve forage and grain quality. Agri-Land Co-op has a full line-up of quality inoculants and acid preservatives including Biomax® 5, Biomax® LB, Biomax® A, Biomax® O, Fresh Cut® Plus, Silage Savor® Plus and TMR Savor®.



THINK SPRING!!!!

All of our Crop Production Specialists are eager to go over your spring planting needs. *Remember to inquire about our Seed/Chemical Tie-In Program.* Please be sure to set up an appointment to meet and go over your needs for the upcoming planting season.

PETROLEUM DEPARTMENT

DECEMBER-JANUARY "TREATS ON US" PROMOTION – by Curt Heller

During the months of December and January, Cenex is running a promotion on their TMS 10W30 and 15W40 motor oils and Qwiklift hydraulic oils. For every 100 gallons of these oils purchased in any combination, the customer will receive a \$25 gift card to any of the following: Cenex, Cabela's, Sears, or Applebee's. In addition if one purchases and takes delivery of (6) 10-packs of Cenex grease, one will receive an additional \$25 gift card. These high quality lubricants are eligible for the Cenex warranty program on new and used equipment. On a new tractor that would translate into 10 years or 10,000 hours with oil changes and Cenex oil sampling being done at the manufacture's recommendations. The Superlube TMS line is a high T.B.N oil with a high retention of T.B.N. and "Wear Saver Technology". The Qwiklift Hydraulic Oil is a universal oil that is commonly used for sump systems that run the hydraulic, transmission, and wet brake systems. Any questions, please call Curt at 923-7960.