

VALLEY 

SPRING 2011

pivotpoint



Gaining **more** area with irrigation options

Valley - **the best value**

Valley Tracker - **the next generation**

Crop Forecast - **2011**



Robert B. Daugherty
1922-2010

A man of visionary strength.
A man of unrelenting ideals.
A man that became known as

The Legend of Valley

In 1954, the founder of Valmont Irrigation, a trailblazer of his own right, fashioned a new industry. Introducing the first center pivot to a new marketplace, Mr. Daugherty became the backbone of the industry we know as mechanized irrigation. With a principal belief of conserving water and increasing yield, center pivot irrigation extended globally while remaining deeply rooted in the founding principles.

Continuing his legacy, Mr. Daugherty provided a \$50 million founding gift to support The University of Nebraska Global Water for Food Institute. This gift, the largest in the University's history, will allow the University to become a global resource for developing solutions to the challenges of hunger, poverty, agricultural productivity and water management.

It's why today his legacy lives on and
The Legend of Valley lives strong.

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Phone: 402-359-2201 (Ext. 3415), E-mail: irrigation@valmont.com Subscribe on the web at: www.valleyirrigation.com. To cancel a subscription email: irrigation@valmont.com **Special promotional offers valid only at participating Valley dealers in U.S. and Canada.**



Creating the Industry's leading precision irrigation solution.

Valley® and CropMetrics®

When you combine two award-winning products, you expect great things. Valmont Irrigation has joined forces with CropMetrics, a well-known precision agricultural data services company that specializes in variable rate irrigation technology. The result of joining Valley Variable Rate Irrigation (VRI) and CropMetrics, both recipients of the 2011 AE50 Award from the American Society of Agricultural and Biological Engineers: true precision irrigation with center pivots.

"We believe that combining Valley control technology with CropMetrics, precision services is the future of mechanized irrigation," said Craig Malsam, Valmont Irrigation Vice President of Engineering. Producers with pivot irrigation are used to being able to control how much water is applied to a field. But this technology allows producers to control how much water, fertilizer and other crop management products are variably applied based on precise agronomic data and position in the field."

The new Valley Irrigation VRI Zone Control gives growers control over individual sprinklers or spans and is fully compatible with new and existing center pivots equipped with the Valley Pro2 control panel. The Pro2 panel uses a proven data transmission product that utilizes wire on the machine to remotely manage as many as 30 VRI zone units and over 5000 individual zones. With this, each individual control unit can be easily positioned at any point along the pivot span. Because the new VRI Zone Control works with the Valley Pro2 panel, the added VRI equipment cost is controlled.

For more information on Valley VRI Zone Control, or the new Valley VRI Speed Control, utilizing CropMetrics data, contact your local Valley dealer.



Valley-the best value

Growers are famous for being shrewd consumers. With every dollar hard earned from real, physical labor, they're not going to waste it. The bottom line is value. Growers find that value in a variety of ways when they invest in Valley equipment. That's made Valley the leader in mechanized irrigation, and their products the first choice of growers all across the country.

According to Brad Johnson, owner of BRJ Farms near Holdrege, Nebraska, the durability and reliability of a Valley is what gives him peace of mind. With a large number of soybean, corn and seed corn hectares, Johnson knows the vital role reliable irrigation equipment plays. "I've been around pivots for a long time, and I've chosen Valley Center Pivots for almost all of my ground. My father and I both trust Valley because we just don't have breakdowns. We just don't. These are long-lasting pivots and they're made well," he shared.

Johnson understands value. Valley Center Pivots are engineered, constructed and field-tested to handle growers' varying and challenging operating conditions. They are known to have the most durable structure in the market place and have a longer life span than other competitive products proven by independent tests. Finally, they command the highest resale value.

Brad's Valley salesman, Kelly Morten of Central Valley Irrigation in Holdrege, Nebraska, likes to show growers in his area that the value of Valley machines starts from the ground up. "I like to take growers out to the manufacturing facility about an hour away from us. They see that these structures are made in an environment that is clean and professional. They see the steel when it comes out on a trailer. This is where it starts. Valley is committed to building things right, and that's where durability begins." He also shows growers

who visit his dealership the stress tests that Valley has published on their structures. "When we talk about the durability of our structures, it's important that they see the stress tests that have been done to prove the value of this. Valmont Irrigation really invests in these structures."

Chuck Messersmith of Western Valley Irrigation in Alliance, Nebraska, believes the structural integrity of Valley machines is key. "The overall structure and the strength in engineering in the physical structure of Valley machines are a big part of the value for growers," he explained.

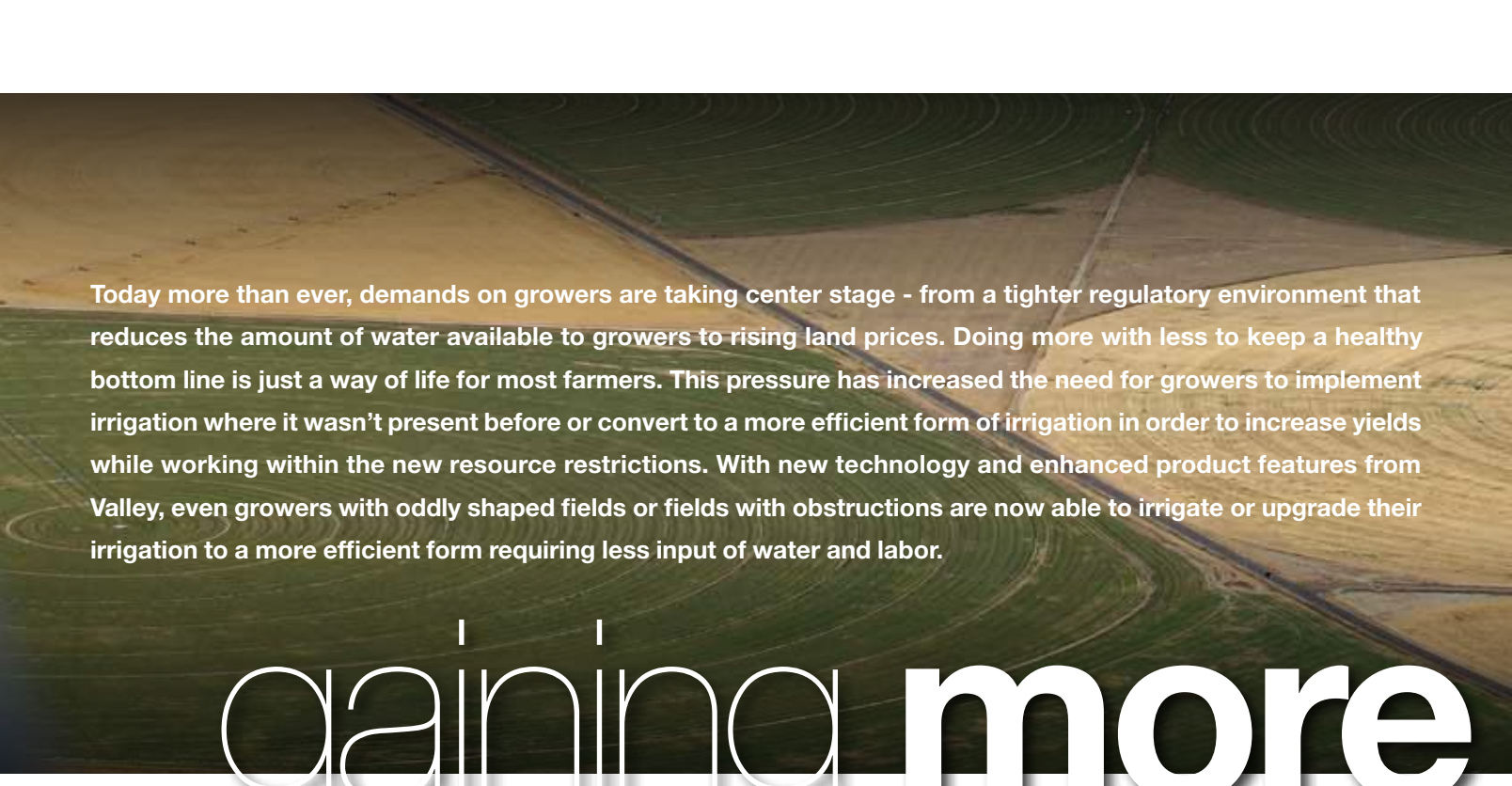
Messersmith also pointed out that the clean lines and integrity of the span design is also an important detail he points out to growers. "The shape of the pipeline itself, the crown, shows a superior design.

The structure is supported uniformly and the stress is more evenly distributed. When customers want to know why Valley machines have a longer life than other machines, I tell them that this is part of the reason behind that long life span."



Custom designed pipes and trussing, along with forged truss rods with a larger root radius and head diameter add to this strength – and to the long term value of Valley machines. Welded sprinkler outlets provide the most durable option when compared to other methods and also protect against a loss of water pressure, vital to precision water applications.

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Today more than ever, demands on growers are taking center stage - from a tighter regulatory environment that reduces the amount of water available to growers to rising land prices. Doing more with less to keep a healthy bottom line is just a way of life for most farmers. This pressure has increased the need for growers to implement irrigation where it wasn't present before or convert to a more efficient form of irrigation in order to increase yields while working within the new resource restrictions. With new technology and enhanced product features from Valley, even growers with oddly shaped fields or fields with obstructions are now able to irrigate or upgrade their irrigation to a more efficient form requiring less input of water and labor.

gaining more

CORNERS

Wade Sikkink, Valmont Irrigation Product Manager, says that the new products from Valley were developed to help farmers keep up with changing and increasing demands. "What is driving the market has changed. For farmers to keep up with demand, the nature of what's being irrigated is changing. Fields that would not have been considered for irrigation in the past are now being irrigated. Less-than-perfect fields are needed for increased productivity. That's why Valley Irrigation has developed so many choices and options for growers."

Longer Spans

Pat Tolman, General Manager of Valmont Northwest, says that helping growers deal with these issues is vital in his area of eastern Washington and neighboring Oregon, where they get just six inches of rainfall per year on average. "Here, if you don't irrigate, it doesn't grow. But irrigated land is \$2,000-2,500 a hectare, so it is very important that our growers make every hectare they've got produce. All of the governmental regulations on water limits also make it so that every inch they apply is more critical than ever."

The Choice Is Yours

Happily, says Tolman, he is able to offer a variety of new products and choices to growers, a welcome set of options designed to meet the needs these challenges present. A manufacturer that offers multiple products designed for different applications, Tolman is proud to know he can help his growers find a machine that meets their specific needs and field conditions. "We can really help our growers determine what is best for their operation. Instead of us saying 'this will work', they can see what we have; we can discuss the different features and benefits of each machine and determine the best solution for them. It puts the power in the customers' hands, exactly where it should be," he explained.

Sikkink agrees, and sees this as a key advantage for Valley customers. "Valley offers more choices, whether it is the various machines, the available options on those products or even in span length. Every field is unique," he explained. "Growers are more likely to find that perfect fit with Valley than anywhere else." The difference between the different machines is more than just size. The variety

of products also offers growers different options to meet their specific needs. The small field machine, for example, works well for growers who need to irrigate fields up to 24 hectares. "We have a lot of growers who are into seed development. Those seed companies like them on small plots. The small field machine is great fit for that. It gives them the height for the corn crop, but is more cost effective per hectare because they don't have to move as much water out through it. The smaller pipe works for the application," Tolman shared.

For those growers who farm rough terrain, however, the 8000/8120 machine is where Tolman of Valmont Northwest points them. "Out here in our area, we have little ground that is flat. Most is pretty tough, rolling hills. These are the growers who really need that 8000/8120 machine. It can go over rough terrain and rough furrows. It also has GPS and the higher end technology. In the end, the most important thing here is that we have something for each grower's needs. We don't have to force a fit. We have something that works specifically for their conditions and needs."



area with Valley



Bender30

In-field Obstructions? Not A Problem.

This year, Valley introduced the Bender30, allowing growers with obstructions in their fields or fields shaped in patterns that were not conducive to pivot irrigation to overcome those obstacles. This allows growers to irrigate more hectares in these fields, boosting yields and productivity. While these obstructions or field shapes may have prevented a pivot from making a full circle before, the Bender30 now makes it possible.

Tolman of Valmont Northwest sees the Bender30 as an excellent, cost-effective option for many growers. "No field comes shaped perfectly for a pivot. There is always one side or another with some obstructions. We have many growers in our area with dairies, corrals for cattle, pump buildings and so on. Before, growers would have to do some alternative irrigation with solid set or another method. That meant a lot of extra time and money. Now we can design a center pivot for a grower in this situation and they don't have to spend additional money on alternatives."

Polzin of North Central Irrigation agrees. "With the Bender30, If you have fields that have obstructions, you can pick up more hectares with minimal cost per hectare with a machine you've already bought, because you can retrofit existing machines to work with the Bender30. It becomes very cost efficient in certain situations," he stated. "We've just started to talk with our customers about this and the idea is being received really well."

By bending his Valley center pivot at the third regular drive unit, Joel Bergman from Loomis, Nebraska was able to pick up additional hectares next to his cattle yard. "The Bender30 allowed me to wrap our existing center pivot up next to the feed lot picking up a rather large triangle of land that otherwise would not have been irrigated," Bergman said.

"The Bender30 may very well become one of our most popular pivot options," added Sikkink. "With few additional parts, a Valley dealer can retrofit an existing pivot or design a new machine to maximize irrigation potential. Optional water shut-off valves will shut off the sprinklers on the stopped spans while the bend continues to irrigate."

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Valley Tracker

the next

It's unlikely that growers, even 20 years ago, could have imagined the at-your-fingertips technology available on the farm today. iPads, Smartphones and Netbooks are the tools of the trade now, and Valmont Irrigation continues its leadership position by advancing remote monitoring and control tools to work seamlessly, with these devices.

With the newest generation of Valley Tracker, growers can use the communication tool of their choice to manage any number of center pivots or irrigation equipment from any location that has cellular or web access. Valley Tracker uses state-of-the-art technology leveraged through the largest mobile telecommunications networks to give customers the most extensive cellular coverage available.

The next generation of Tracker products were engineered to evolve with these advances in communication technology. John Rasmus, Controls Product Manager at Valmont Irrigation, sees the technology advances in Tracker products helping more growers improve profitability by saving time, energy and fuel costs than any time in the past. "With several new monitoring and control features added to the TrackerSP and TrackerLT, the Valley product line offers customers more remote irrigation management solutions than any other irrigation equipment manufacturer in the industry," he added.

Michael Carter from South Plains Valley Irrigation in Lubbock, Texas helps growers configure the right irrigation package and recommends the Tracker as a way to reduce input costs. "Growers around here see a large difference in costs when they use the Tracker system, especially in the cost of fuel to operate these pivots," stated Carter.

"When you have five, six or seven pivots it isn't a big deal to visit all of them. However, many operations now have 20-30 pivots, so just to get around to them is really difficult. In our area, they really need to be checked on visually twice a day. When there are 20 to 30 miles between each one, a grower could lose one or two days of water because of the logistics which ends up costing them in labor and yields."

check out the Tracker demo at www.valleytracker.com

iPad is a registered trademark of Apple Inc.

TrackerLT

TrackerSP



Manage all brands of irrigation equipment and auxiliaries from one website.

Brian Rust is a long-time Tracker customer, operating a 400-hectare farm near Holdrege, Nebraska which includes 355 hectares of corn and soybeans under pivots. For him, the benefits of the Valley Tracker are widespread and include convenience, savings in labor, fuel and energy inputs and improved profitability. "Half of my field is beans and half is corn, and I need to be able to speed up irrigation in some areas, slow it down in others. I do this with my Tracker, right from my phone (a Droid X) I can make the pivot automatically reverse. If a pivot shuts down or if it starts raining, I can handle it from the computer or phone at one o'clock or two o'clock in the morning."

Brian continued, "The Tracker also reduces my costs. Because I'm able manage things remotely, I can go days without going out to visit a particular pivot as they may be 20 miles from one another. You have to keep an eye on pivots every day and when I can do it with the Valley Tracker, I can save a lot of time, fuel costs and wear and tear on vehicles. Give me the Tracker any day."

Brian reduces costs even more by linking all of his pivots to his Valley Tracker. "Instead of having multiple systems, I use the Valley control panels with Tracker on everything, even if the pivots are different brands – the Tracker works with them, seamlessly. It's much easier to have one system rather than paying for and managing two separate subscriptions."

The final word from Rust: "After four seasons like this, I'm a Tracker customer, plain and simple. I wouldn't order a new pivot without the Tracker, that's for sure."

generation

Doing more with less. Less Time. Less Labor. Less Water.

Unlike some other offered service plans, Tracker does not require you to switch to a lower plan when the irrigation season ends. Growers have unlimited access whenever they need it, but most importantly the plan **automatically switches to a lower price in the off season** based on call volume. "This way", Rasmus explains, "the Valley Tracker service plan provides growers with year round service with one low cost, convenient, service plan."



Valley Tracker **Unlimited Plan***

- All cellular airtime for your Tracker device - No local cellular account is required
- **Unlimited** use of the Tracker web site www.valleytracker.com
- **Unlimited** use of the Tracker Mobile web site m.valleytracker.com
- **Unlimited** telephone based (text to speech voice) notification of alarms and events
- **Unlimited** E-Mail based on notifications of alarms and events
- **Unlimited** In-bound telephone calls to the Network Operations Center for status reports and controls
- An automatic heartbeat message can be sent once every 24 hours providing growers stress-free monitoring

* Tracker web sites, including all usage reports and history logs can be accessed at any time, even during the off-season. Each Tracker device requires an airtime and data services contract. Check with your local Valley dealer to find out the service offering and price in your country.



A Solid Foundation for the 2011 Crop Year

Rich Pottorff Vice President, Chief Economist, Doane Agricultural Services

RICH POTTORFF ANALYZES DEVELOPMENTS IN U.S. AND WORLDWIDE AGRICULTURE AND DEVELOPS FORECASTS, BRINGING PRODUCERS INSIGHTFUL COMMENTARY ABOUT THE AG ECONOMY. HE RECEIVED HIS DEGREES IN AGRICULTURAL ECONOMICS FROM COLORADO STATE UNIVERSITY.

There is a lot of excitement in agriculture this year. Crop prices are up substantially compared to a year ago and almost all signs indicate the high prices will remain in place for most or all of this year. With the increases in prices that got going in about the middle of last year, net cash farm income came in at or near a new record high. Supplies of all crops are generally tight and crops in 2011 will have to be huge to rebuild stocks and put significant downward pressure on prices. However, the high crop prices are raising feed costs and reducing profitability for the livestock sector.

In general, demand for crops is

strong, but the real source of price strength has come from the supply side of the market. Poor weather caused major problems for wheat pro-

ducers in Russia, Ukraine, Kazakhstan, and Canada last spring and summer. This winter a combination of drought in the west and floods in the east damaged the crop in Australia. World wheat production plunged by more than 35 million metric tons, with almost all of the damage in major exporting countries. The result is an ongoing boom in U.S. wheat exports and very strong wheat prices. Spring weather will be the key factor for where wheat prices go in the second half of the year, but as of now, the winter wheat crop in the U.S. is suffering widespread drought conditions and drought is also affecting the crops in China and the countries of the former Soviet Union. Without a major rebound in world wheat production this year, prices will stay high through the beginning of the new crop year.

The price strength triggered by low foreign wheat production was sustained into the fall by declining U.S. corn production potential. Based on their first field survey of the corn crop, USDA estimated production at nearly 13.4 billion bushels. The crop got smaller with each successive estimate and production actually turned out to be almost 1 billion bushels below that initial estimate. With the smaller than expected crop, the corn stock-to-use ratio for the 2010/11 crop year will be nearly record low. High corn prices will be needed to ration demand and to encourage farmers to plant more corn this spring.

Acreage allocation will be a critical factor for 2011. Supply and demand tables indicate that we need to add at least 2.5 million to 3.0 million acres of corn for next year, or production will fall short of consumption again, leading to even tighter stocks. Corn prices will have to stay high, at least through spring to encourage farmers to plant more corn. Corn prices are currently high enough to "buy" some land from soybeans in the Midwest, but that may change if Argentina's soybean crop turns out to be well below currently projected levels. High cotton prices may also take some land from corn in the Delta and Southeastern U.S. Winter wheat acreage for 2011 is up 3.7 million acres compared to the year earlier total. While we need 2.5 million to 3.0 million acres more corn – it is not clear that we will get it.

This past year was a mixed bag for livestock producers. Cattle, hog and milk prices were all much higher in 2010 than they were in 2009, but the rising feed costs have significantly reduced profitability. Cattle feeders and hog producers generally made good profits over the spring and summer months, but budgets show margins turned negative in the fall. There are few signs that the economic conditions have significantly altered production decisions yet, but that could change over the first half of 2011. In general, livestock producers are still reeling from the very poor profitability that persisted throughout 2008 and 2009. With crop prices expected to stay high into 2011, livestock prices will need to move higher to return the sector to solid economic footing.

The run-up in crop prices has been positive for U.S. crop producers. Crop cash receipts were up \$10 billion this past year while costs for inputs rose only modestly. But



the increase in crop prices had a very different impact on the livestock sector. Good prices for livestock and livestock products over the spring and summer allowed for a significant increase in livestock cash receipts in 2010, but feed costs are rising and the costs of feeder livestock were up significantly from 2009 levels. With both crop and livestock cash receipts up in 2010, net cash farm income probably reached or exceeded the \$90 billion mark. The record high for net cash farm income recorded in 2008 was just slightly above \$90 billion. Strong economic conditions are expected to continue for crop producers for 2011. Input prices are rising, but so far crop production economics look very profitable. If crop yields don't bounce back to trend levels or higher, prices will continue to rise, setting the stage for even higher income levels this year.



innovation in irrigation™

NELSON – fully committed



R3000 Rotator®

Nelson Irrigation Corporation, a Valley Authorized Sprinkler Provider, is unrelenting in its mission to provide state-of-the-art sprinkler technologies for mechanized irrigation. Recognized as a world leader in quality and reliability with the Nelson SR100 Big Gun®, Nelson focuses on providing exceptional water application devices from pivot point to the end of the machine - including control valves, pressure regulators, sprinklers and end guns. Since 1995, Nelson has built upon its modular 3TN Nozzle system, the “one” nozzle for all of its center pivot sprinkler products.

The most versatile and widely used of Nelson’s center pivot sprinklers is the R3000 Rotator®. Field-proven worldwide for over 25 years, the Nelson Pivot Rotator provides the largest wetted pattern available on drop tubes. On a center pivot, this unmatched performance translates into low average application rates - the lowest rate for water intake of any other sprinkler in its class - reducing water runoff and soil erosion. Also unique to the Pivot Rotator, Nelson has engineered rotating plates with droplets sized and targeted to specific destinations within the water pattern. This accomplishment reduces disturbance to the soil by intermittently filling in the water pattern over time – properly accounting for the movement of the center pivot over the field and giving time for the soil to breathe. With operating performance over the widest pressure range and on any mounting configuration – mount up top or on any drop tube - the R3000 Rotator can be configured to the perfect match for specific crop and agronomic needs with exceptional in-field uniformity.

Nelson Irrigation Corporation is headquartered in Walla Walla, WA USA. The company’s focus is on improving the state-of-the-art of agricultural irrigation. Visit us at: www.nelsonirrigation.com



SR100 Big Gun®

Recognizing no one-sprinkler type is perfect for every application, Nelson continues to bring innovative sprinkler technology to the market. Nelson is proud to introduce the new O3000 Orbitor Sprinkler, a recipient of Agricultural Engineering top 50 innovative products in 2010. Featuring technology that eliminates the struts of a sprinkler body, Nelson’s new Pivot Orbitor provides outstanding uniformity and optimal droplets at low pressures (10-20 psi). Expect long wear life and durability in poor water conditions, because there are no sprinkler body struts for debris to hang up on.



O3000 Orbitor

continued from page 3

Valley-the best value

Well-made tower control boxes are another feature that adds value to Valley equipment. The main base component of the control box is made of steel rather than plastic. Other brand machines use plastic. All switches and control mechanisms are mounted on steel in Valley tower control boxes., and that increases the tolerance for clearance in the moving parts. The steel helps keep the alignment where it should be and is more durable. "These are things that growers here see as value immediately, once they know about them," shared Morten of Central Valley Irrigation.

The Valley gearbox is the pinnacle of the Valley drive train and yet another feature that proves industry leadership. It is designed and manufactured at Valmont Irrigation's manufacturing facility in Valley, Nebraska so that quality can be ensured. Messersmith, of Western Valley Irrigation, says "The truth about the gearbox is that you don't have to sell it to growers – they already know that Valley gearboxes are better. They already know the difference!"

Finally, legendary Valley service is a big part of the overall value of a Valley machine to growers, according to Johnson of BRJ Farms. "Service is a huge one for me. The response time from my Valley dealer, Central Valley Irrigation, is amazing. They are there within an hour. It is fixed correctly the first time. The winter program is also awesome. They went through each pivot of mine last year and I went without any service calls during the irrigation season. They are just dependable – the machines and the company."

Valley dealers are known to have a true caring for their customers. "Our customers are not just somebody we hope will buy something from us, but someone we can work with hand in hand to make irrigation work," added Messersmith of Western Valley Irrigation.

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gaining more area with Valley

Beyond simply getting water to these previously hard to reach areas, the Bender30 also takes into consideration precision irrigation. Water application performance has been improved when the machine is bending – making Valmont Irrigation the only manufacturer to tackle that dilemma. In other designs, when the center pivot bends, the sprinkler design ends up over watering the crop under the stationary spans during the bending operation. The Valley Bender30 has an exclusive speed up timer integrated into every Bender30 that changes the water application while the machine is operating in the bending mode. This solution is included as standard equipment on every bending pivot.

Introducing The Longest Center Pivot Span...Anywhere.

Valley recently introduced the longest center pivot span available in the industry – the 66 meter 8120 span. They didn't create this long span just for bragging rights, however. This is yet another way Valley is giving growers the ability to find the perfect configuration for their fields.

Valmont's Sikkink sees the new, longer center pivot span in terms of cost savings both in the short-term and the long-term. "If, for a given field, you can use 6 spans instead of 7 you lower your span cost and require one less drive unit. It also means less in the ongoing cost of maintenance. This helps keep the farmer cost effective and helps their bottom line."

For growers in Washington and Oregon, this is a welcome addition according to Tolman of Valmont Northwest. "This is a product that has a wide array of uses. Here, because of the high value of land, we have growers that want short systems they can put in small fields or corners. It is a very cost effective approach. With two new 66 meter spans, for example, they can cover a lot of ground with fewer towers. In this area, because of the rough terrain, growers also prefer smaller pivots, so this is helpful as well," Tolman pointed out. "Again it comes back to the concept of having options."

For Polzin at North Central Irrigation, where most of the farmland is flat, it isn't the terrain that makes the new span attractive to growers. With the flat fields come many corner machines. Polzin says that the new, longer spans help reduce the number of drive units needed. "When we're configuring a corner machine for a grower, instead of part of the length being an overhang, it has to be a span. Up until now, we had to use seven drive units to get to that length, for example. Now we can do it in six. The new spans can end up saving customers thousands of dollars this way," he shared. "It also means one less drive unit to maintain."

Growers interested in this new addition to the most extensive offering of span choices in the industry can rest assured that it is designed and engineered to perform to the same level as all other Valley 8120 spans. As always, Valmont guided development and production of the spans with an uncompromising commitment to superior quality and durability.

Bringing It All Together

Whatever a grower's individual needs, Valley has a combination to meet them. With new products just introduced, Valley continues to live up to its reputation as a leader in innovation and responsiveness to growers' concerns. The new products, along with trusted core products like linears, corners and pivots, give growers newer and better ways to do more with less.