VALLEY VA

Dryland vs. Irrigated



Higher Yields Are Increasingly Important

According to the Global Agenda Council on Population Growth, there are currently 6.8 billion people in the world and it's projected that by 2050, we will add another 2.3 billion. The world's dependence to feed an ever-growing population lies on the shoulders of growers like you.

Since more and more prime agricultural land is being squandered to development, growers need to continue maximizing yields to maintain an adequate food supply for the world. The world is counting on your sustainability practices and your ability to utilize technologies and capture food value from the land in both traditional and non-traditional forms.

And while there's a lot of talk about how irrigated farmland may be to blame for water shortages and quality issues, the truth is that today's growers are producing more, consistent food with less water than ever before. Contrary to what you sometimes may hear, irrigated agriculture is part of the solution in today's rapidly changing world - not part of the problem.

At Valley Irrigation, we see irrigation as a big part of ensuring we make the most of our land and resources. After all, irrigation has been around since man started growing his own food – and we're constantly finding improvements so growers can irrigate more efficiently, for higher yields with less input costs.

You're feeding the world and we're in it with you.

Keep up the good work!

LEN ADAMS President, Global Irrigation

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Valmont Irrigation, 7002 North 288th Street, Valley, Nebraska 68064-0358 USA 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. Irrigation equipment is a major investment. You want to make sure it does its job for as long as possible. That's why changing water conditions leading to pipe corrosion is a rising concern.

In certain areas, fresh and non-corrosive water has become increasingly corrosive. Many factors can affect water quality – changing pH, chemicals, low mineral content and more. In other cases, growers have had to use less desirable water sources, such as wastewater or process water. Even some chemigation and fertigation additives or chemicals can damage pipes and limit machine life.

Valley pioneered the galvanized pipe that's now the industry standard. After all, it can last decades when water quality is good. However, when water is corrosive, a longer-lasting alternative is necessary.

Valley developed PolySpan[®], a high-density polyethylene (HDPE) liner that resists corrosion better than any other material. It's been in the field since 1992 – longer than any other irrigation manufacturer – and today's changing water quality makes it a viable alternative, and even a necessity, for more and more growers.

PolySpan is available with Valley pivots, towables and linears, with 9 span lengths up to 225 ft. in 6-5/8" pipe and up to 180 ft. in 8 5/8" pipe, as well as overhangs up to 83.3 ft. Or, growers can repipe their existing Valley series 6000 or series 8000 machine with PolySpan. The polyethylene liner is permanently attached to the pipeline, creating a virtually indestructible pipeline replacement.

"Our flanges ensure the PolySpan stays locked onto the pipe," explains Valley Equipment Product Manager John Kastl. "During cuffing we have a patented process to heat the liner and form it around the end flanges. The polyethylene is pushed into a series of small holes in the flanges. When it cools, the liner is locked in permanently".

Jim Leonard of Leonard Water Services in Abilene, Texas, says, "The Valley poly pipes aren't modular like other brands, so there's no undue stress on the connections. There's no water-to-metal contact in these machines."

Kastl adds, "It's basically bulletproof. Growers can even use products in the water they couldn't otherwise use because of their corrosive nature.""

Kastl explains, "Pipe is the backbone of any irrigation machine. These machines are a big investment, and corrosive water can put that investment at risk. PolySpan can make the pipe last a lifetime. The Bender30 and Precision Corner are also available with PolySpan. Only Valley offers growers the flexibility to design a pivot that maximizes irrigated acres on any field, even on those with corrosive water."

${\cal I}$ PolySpan® extends the life of your irrigation equipment

Pat Tolman of Valmont Northwest in Pasco, Washington, agrees. "About 25 percent of our market is now poly. We're doing some repiping, but we anticipate more. We grow a lot of potatoes and onions here, so growers apply lots of chemicals, which can cause corrosion. With PolySpan, growers can fertilize all they want, and the pivots won't corrode."

Just south of Pasco, in Hermiston, Oregon, Mike Hawman has replaced about half of his 30 pivots with PolySpan-lined pivots, and he plans to replace his other machines with poly pivots when they start to wear out.

"My pivots were getting to be 17 to 20 years old, and it was an easy decision to replace them with PolySpan pivots," Hawman says. "We use a lot of fertilizer, herbicides and other chemicals through our pivots, and that's hard on them.

"I expect these new pivots to last a good 30 years or more – so I can pass them on to the next generation," says Hawman.

Tolman says, "PolySpan gives growers peace of mind – and a machine with PolySpan will last two to three times as long as a normal galvanized machine under the tough conditions we have here in the Northwest."

"We have many renters in this area, and many will often apply fertilizer through the irrigation machine, which of course can cause corrosion," adds Tolman. "That's pretty tough for the land owner to regulate. PolySpan machines alleviate any worry about what is being applied through the machine."

"It's not just the longer machine life," says Hawman. "It's also nice to go out in the spring and have sprinklers that aren't clogged by rust. It's a great benefit."

Mark Anderson, who farms near Snyder in Southwest Oklahoma, recently purchased two poly machines. "With the drought over the last two years, our water tables are dropping. It doesn't affect the crops, but it certainly makes the pivots deteriorate," he says. "That's why I got the poly machines. I think it will pay off in the long run."

"Our water changes all the time," says Leonard. "It's getting corrosive in areas that have never had issues before, so machines may not last as they once did."

"Any time a grower is preparing to purchase and install a new machine, we complete a water analysis to determine its life expectancy," Leonard explains. "If it won't last at least 10 years, I won't sell them anything but a poly machine which now equates to approximately 75 percent of our business."

What makes PolySpan different?

Valley manufactures PolySpan at their own production facility. Valley controls the quality of their product and manufactures the poly to their own specifications, all in one piece, so water can't get to the pipe. The glass reinforced nylon 3/4-inch couplers provide full, unrestricted flow to the sprinklers. Plus the dual-gasket design with a locking compression nut eliminates leakage, ensuring no corrosive materials get between the liner and the galvanized steel pipe.

The industry's best warranty. PolySpan pipelines come with a 20-year prorated pipeline corrosion warranty, starting on the delivery date.* This includes full pipeline replacement during the first 10 years or 30 thousand hours (whichever comes first).

The dealers and sales teams are second to none. "I tell our salesman, Shane Shiplet from Valmont Northwest, that he's working his way out of a job," says Mike Hawman. "He knows our farm, our equipment and what we want to accomplish on our farm. He's done such a good job with us that he may never have to come back to replace anything."

PolySpan High Density Polyethylene (HDPE) Liner

- Virtually indestructible under any water conditions.
- Available with Valley pivots, towables and linears in nine span length choices.
- Available for the 8000 and 7000 series spans, and for repiping in the 6000 series.
- Available for the Valley Precision Corner and Bender30.
- 20/10-year pipeline corrosion limited warranty.*

*Does not include freight, labor or hardware.

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Improved Sprinklers Make the Most of Irrigation Machines

Center pivot and linear mechanized irrigation continues to take farming to the next level, with greater efficiency, higher yields and less uncertainty. Continuous advancement in water application devices sets the bar even higher so growers can achieve greater returns.

Valley brings growers innovations from the leading manufacturers of sprinkler application devices, Nelson Irrigation Corporation and Senninger Irrigation, Inc. so you can get the most out of your equipment and the water you apply during the growing season. "Both companies have been around for a long time, so they have a history of success. But they also continue to design new and more efficient options, so we can tailor each sprinkler package to the conditions and crops with sprinklers that are specifically made for pivots," stated Jerry Gerdes, Valley Product Manager for Water Application.

New, updated sprinkler technology can provide greater precision, increased efficiency of the water applied and provide growers the capacity to produce higher yields. Sprinkler Shop of Paul in Paul, Idaho, installs about 300 sprinkler packages a year. Owner Dan Duffin says many of the old steel drops have worn out due to chemigation, so his business is helping growers switch to hose drops, which last much longer, along with the newer, more effective sprinklers.

"Sprinklers are so much better now, with all the latest features," explains Duffin. "Today's i-Wobs and Orbiters disburse the water much better. They prevent wind skips and they're much more durable."

About half of the sprinkler packages Sprinkler Shop of Paul replaces are on Valley machines, the other half goes on other brands. "We're customer oriented, not machine oriented," explains Duffin.

Duffin's customer Eric Harper is gradually replacing the sprinklers on his pivots, with eight out of 28 pivots currently running new sprinkler packages.

"Our potatoes seem to do better under our new Senninger i-Wobs," says Harper. "There's not as much evaporation, the soil retains the moisture far better and there's no runoff."

Bo Clausen of Stockrow Farms outside of Moses Lake, Washington, uses about 60 pivots on his crops. Stockrow Farms has been using pivot irrigation since the early 1990s. Last season, they replaced sprinklers on seven of the pivots with Nelson Orbitors. "I like the Nelson Orbitors and Rotators best because of their water pattern. They really reduce runoff," says Clausen.

"The wetted diameter is so much better with these newer sprinklers as it has an increased width," says Duffin. "There's also greater infiltration, and we can even compensate for soil that's really compacted to avoid runoff."

"It's great because the grower has real control of exactly what is being applied to the crops," Duffin explains. "Irrigation is better than ever before. It's become more like natural rain."



Duffin is a great example of showcasing the knowledge Valley dealers must have to help growers. After all, understanding the way sprinklers work with different crops, terrain, conditions and even pivots is essential as it affects the bottom line. It takes a trained expert to know which sprinklers will be the most effective and efficient in each particular situation.

"Valley offers continued education for our dealers. In relation to Water Application, we offer a design school every year," states Gerdes. "We want to make sure our salespeople are ready to help growers customize their sprinkler packages better than anyone else."

Dealers also have access to the industry exclusive Valley V-Chart software, which helps them match the latest sprinkler technology to soil type, crops and terrain. Gerdes says the water application group at Valley works with dealers one on one to help aid in the overall design of packages.

"We want to help our dealers take care of their customers in every possible way," says Gerdes. "When growers work with Valley dealers, they'll know their sprinklers are working at the highest efficiency, because they're designed and installed correctly, down to precise spacing and positioning."

Sprinklers Help Growers Save

Duffin explains how growers (specifically in Idaho) can also take advantage of making their irrigation systems more efficient with the Irrigation Efficiency Rewards Rebate Program. The program will pay for about 25 to 30 percent of the cost of a sprinkler package since the sprinklers are more energy efficient.

"There's an allowance for each drop, regulator, nozzles, or entire systems," explains Duffin. "Our dealership even does the paperwork for the customers so they can get their rebates more quickly."

To learn about rebate programs in your area, go to www.doe.gov/savings.

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Sitting in the Control Sea

For decades, it was a well-known fact that growers couldn't get away during the growing season. Weekends off and family vacations were simply not an option. For many growers, that's still the case. But for those who use Valley TrackNET products, life is quite different than it use to be.

The TrackNET family of web-based irrigation management products provides growers the ability to manage their center pivots and linear systems remotely. Through a computer, laptop, tablet or even a smart phone, growers can monitor, manage and control their irrigation systems.

According to Valley Irrigation Controls Product Manager John Rasmus, TrackNET is the only management system available in multiple languages – English, Spanish, French, Italian and Portuguese.

"It's also the only one on the market that allows growers to upload Variable Rate Irrigation (VRI) prescriptions," says Rasmus. "That information allows growers to apply water much more precisely. There's no guesswork involved."

Bill Walker grows cotton, corn and soybeans on his five-thousand acre family farm about 40 miles east of Memphis, Tennessee. He's used his Tracker SP since he started irrigating with seven Valley systems in 2008.

"The first thing I do when I get up in the morning is go to my office and see if anything needs my attention," says Walker. "If there are any issues, I can usually go out and take care of it myself. Unlike some of my neighbors, I don't have to spend an entire afternoon driving around and looking at each individual machine to see what's going on, because it's right there on my screen."

Justin Miller, Division Manager of Tennessee Tractor in Jackson, Tennessee, agrees with Walker's assessment. "Bill's Trackers work perfectly with his Valley pivots, controlling every function. It's almost like being out in the field at the control panel, only he doesn't have to drive to each one."

TrackNET products can monitor and manage any brand of center pivot or linear, and control everything from turning machines on and off, to programming application rates, to monitoring chemigation and even viewing historical information and weather reports.

"When it's storming at night and my machines are running, I can shut them down from bed. I just have to roll over and grab my phone," says Walker. "It's great because it gives me the tools I need for maximizing efficiency, plus I get the extra benefit of not having to go out and shut each one down at the site."

Walker's Tracker also allows him to get away – even during the busy times. "For example, I was sitting on the beach and saw that one of my systems had an issue. All I had to do was make a call, and I got it fixed. That's pretty amazing."

Chuck Messersmith of Western Valley Irrigation in Alliance, Nebraska, says they're currently installing 30-plus new Tracker systems on customer Craig Maas's farm.

"Craig saw that the new TrackNET products had evolved enough that he wanted to add Tracker products to all of his control panels. He's a very progressive farmer who travels a lot, so he'll really benefit from the control he'll gain with his new Trackers. He can manage his pivots from anywhere in the world – literally."

TrackNET products don't just provide freedom and peace of mind. They also provide savings. By programming machines to run during off-peak times, growers can get a break on electric rates. It takes fewer man hours when each system doesn't have to be checked in person. Of course, TrackNET allows growers to control the amount of water used or applied by each machine as well.

Walker says, "My experience with Valley and TrackNET products has been only good. I've saved time and money, and the customer service has been very fast."

> "You can't put a dollar amount on having peace of mind while spending time with family," explains Walker. "Until you have a Tracker, you don't realize what a difference it makes."

Irrigation – Insurance



The one constant in farming is that the weather is ever-changing. Growers have to cope with it all – from too much rain to too little rain and everything in between.

Those who grow on both dryland and irrigated land often see their pivots as insurance policies against those years with less than ideal growing conditions. Even in good years, without volatile climate events, irrigated land has a tendency to produce higher yields.

Dick Knotts in Carlisle, Indiana, is a Valley dealer who also farms his own land. He says this has been an unusual year for irrigation, with some growers purchasing machines in July. "This is the first time that's happened in my years as a Valley dealer," says Knotts. "With the drought, people were in a panic."

"More and more growers are seeing irrigation as an insurance policy," he explains. "With the unpredictable weather of this past year, they're seeing irrigation as a long-term, positive investment."

Emmett Rouse has been using pivots on his South Carolina farm since 1981. "I started with just a few, but I keep adding more all the time. Even last year I added one more. Now, every bit of land that I can irrigate, I do."

Fourth generation farmer Brent Crapse raises corn, cotton, peanuts, soybeans and wheat near Hampton

options to take off as growers are focussed on gaining every possible irrigated acre available to increase yields.

Irrigation Increases Yields

"Using irrigation makes a tremendous difference," says Crapse. "Some crops, like corn, are really tough to grow with dryland in this area. We've got extreme heat, high humidity and drought-type conditions during critical stages of the growing season.

"If we don't get a good rain at least once a week, the crops dry up. In 2011, our area experienced drought, which cut our yield down 25 to 30 bushels of corn per acre," Crapse explains. "But under irrigation, we still got 225 bushels per acre. That's a real boost."

Rouse understands this impact from first-hand experience. "Depending on the year, I can get anywhere from zero to 100 bushels of corn on my dryland, but with irrigated land, I consistently get 200-250 bushels per acre.

"With cotton, there's about a 500-pound per acre difference on

soybeans and wheat near Hampton, South Carolina. He, too, is adding all the irrigation he can.

"I put one machine in two months ago, and I'm putting another in within three to four weeks," says Crapse. "I've ordered a third one, too. All of those will be on corn next growing season."

Shay Hane of Guess Irrigation in St. Matthews, South Carolina, serves both Rouse and Crapse. He states customers are also asking more about Valley Corner machines and the Valley Bender product. He expects those Currently, the 17 percent of irrigated cropland in the United States produces nearly 50 percent of total crop revenues¹

On a global scale, irrigated agriculture accounts for less than 20 percent of the total cropland area but yields 40 percent of agricultural output²

¹ NumbersUSA.com "U.S, Population Growth is a Key Factor in Paving the World's Breadbasket" (2009)
² Food and Agriculture Organization of the United Nations, " Agriculture Factsheet."

500-pound per acre difference on average, and on peanuts, there's about a 2000-pound difference."

"A few years ago, lots of farmers were selling off land to people developing small 'farms'," says Crapse. "We're not too far from Hilton Head and Charleston, so people would purchase 30 to 40 acres to create their own little weekend farming operations. That took quite a bit of land out of production, so we have to get as much out of our land as possible and irrigation helps us do just that."

Valley 🎸

Policy and Yield Enhancer

Irrigation's Impact on Land Prices

It Pays for Land Owners and Growers to Invest in Irrigation.

Cropland values have increased along with commodity prices. A University of Nebraska report shows that the value of irrigated land significantly appreciates compared to unirrigated land. This report summarized in the table below shows that the value overall of dryland cropland with no potential for irrigation in the state of Nebraska has increased by an average 70 percent from the years 2006 to 2011. Dryland with the potential for irrigation development increased on average by 105 percent, and center pivot irrigated land increased 102 percent on average. All evidence that investing in irrigation is good for both the land owner, investor and growers.

Percentage Increases of Land Values for 2006-2011 Nebraska Northeast District

| These percentage increases are even more impressive when |
|---|
| you look at an individual region with actual dollar amounts |
| assigned to the land values. The table illustrates this increased |
| value specifically for the Northeast region of the state of |
| Nebraska. Center pivot irrigated land tops the average value of |
| farmland at \$5100 per acre - \$900 more per acre than |

farmland at \$5100 per acre - \$900 more per acre than the dryland with irrigation potential category and \$1650 more than dryland with no irrigation potential.

| | Average Land Values (\$) | | |
|------------------------------------|--------------------------|------|--------|
| | 2006 | 2011 | Change |
| Dryland, No Irrigation Potential | 1641 | 3450 | 110% |
| Dryland, With Irrigation Potential | 1931 | 4200 | 117% |
| Land with Center Pivot Irrigation | 2600 | 5100 | 95% |

Gains in Nebraska Land Values and Cash Rents for 2006-2011. Tom Dorn, Extension Educator, Lancaster County. University of Nebraska-Lincoln CropWatch. http://cropwatch.unl.edu/web/cropwatch/archive?articleID=4662862

"Irrigation really pays for itself quickly," Crapse adds. "With the increased yields, and depending on commodity prices, I'd say our machines pay for themselves in four to six years."

Study Reveals Progress in Agricultural Sustainability

A note from Len Adams...

In the business of agriculture, the word sustainability is used a lot, but it oftentimes is presented as a theoretical concept that just elicits more conversation. To us, sustainability is defined as working in a way that will allow our land to continue to cultivate food centuries from now - this includes water conservation, proper management of the land, soil and energy, and more. Since the world population is not going to stop growing, sustainability is the only way that we are going to be able to provide for the masses in years to come.

"It's important to me and to those at Valley Irrigation to inform our growers of how you have been a major driver in making agriculture more sustainable over the years. Provided is a summary of the most recent Field to Market study that will point out how American Agriculture has made great conservation strides in many areas. It indicates that hard work in conservation and efficiency is starting to pay off, saving time and money, while ensuring that our children and grandchildren can continue to work the land and feed the world.

For the complete study, visit www.fieldtomarket.org.

Len Adams President, Global Irrigation

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Field To Market, The Keystone Alliance for Sustainable Agriculture, is a diverse initiative that joins producers, agribusinesses, food companies and conservation organizations seeking to create sustainable outcomes for agriculture. Field to Market defines sustainable agriculture as:

- Meeting the needs of the present while improving the ability of future generations to meet their own needs
- Increasing productivity to meet future food demands
- Improving environmental impacts
- Improving human health
- Improving the economic and social well-being of agricultural communities

The group provides collaborative leadership that is engaged in industry-wide dialogue, grounded in science, open to the full range of technology choices, and committed to creating opportunities across the agricultural supply chain for continuous improvements in productivity, environmental quality, and human well-being.

Field to Market is developing indicators to estimate the environmental, economic, social, and health outcomes of agriculture in the United States. In its first report, released in January 2009, Field to Market evaluated indicators for estimating land use, soil loss, irrigation water use, energy use, and greenhouse gas emissions for agriculture. Field to Market is continuing to develop metrics to estimate on-farm environmental, economic, social, and health outcomes.

Environmental Indicators Overview

Over the study period (1980-2011), on average at the national scale in the United States, the following trends were observed. Percent change is relative to single crop and based on the average trend line for the entire study period:

Production and Yield

- Total production increased for corn (+101%), cotton (+55%), potatoes (+30%), rice (+53%), and soybeans (+96%); total wheat production decreased (-16%).
- Yield per planted acre increased for all crops: corn (+64%), cotton (+43%), potatoes (+58%), rice (+53%), soybeans (+55%), and wheat (+25%).

Land Use

- Land use per unit of production (e.g., bushels, cwt and pounds) has improved (decreased) for all six crops because of increased yields: corn (-30%), cotton (-30%), potatoes (-37%), rice (-35%), soybeans (-35%), and wheat (-18%).
- Total land use (planted acres) has increased for corn (+21%), cotton (+11%), rice (+9%) and soybeans (+24%) but decreased for potatoes (-15%) and wheat (-33%).

Field to Market (2012). Environmental and Socioeconomic Indicators for Measuring Outcomes of On-Farm Agricultural Production in the United States; Summary Report; Second Report, July 2012. Available at: www.fieldtomarket.org.

Soil Erosion

- Soil erosion per unit of production has improved (decreased) for all six crops: corn (-67%), cotton (-68%), potatoes (-60%), rice (-34%), soybeans (-66%), and wheat (-47%).
- Per acre soil erosion has improved (decreased) for corn (-43%), cotton (-50%), potatoes (-34%), soybeans (-41%), and wheat (-34%) and remained constant for rice (rice has historically had low rates of soil erosion). However, improvements in per acre soil erosion for corn, cotton, soybeans, and wheat occurred primarily in the earlier part of the study period; per acre soil erosion has remained relatively constant for these crops in recent years.

Irrigation Water Applied

- Irrigation water applied per unit of production has improved (decreased) for all six crops: corn (-53%), cotton (-75%), potatoes (-38%), rice (-53%), soybeans (-42%), and wheat (-12%).
- Per acre irrigation water applied has improved (decreased) for corn (-28%), cotton (-46%), rice (-25%), and soybeans (-9%) and decreased slightly for potatoes (-2%); per acre irrigation water applied increased for wheat (+6%).

Energy Use

• Energy use per unit of production has improved (decreased) for all six crops: corn (-43%), cotton (-36%), potatoes (-15%), rice (-38%), soybeans (-42%), and wheat (-22%).

Better use of our resources can equal better yields. All six crops showed progress in their national average trends for resource use and impact per unit of production. Improvements in efficiency were driven, at least in part, by improvements in yield for all crops.

One thing to take away from this study is that, while showing real progress, it will be a continuing challenge to maintain this rate of improvement and avoid reaching overall resource limits.

It's something to keep in mind as you plan your next growing season and beyond.

ECONOMIC UPDATE



Rich Pottorff, Chief Economist, Doane Advisory Services

I think farmers in most of the country will be glad to close the book on 2012 and look forward to 2013. We can't know how the weather will turn out next growing season, but at least at this point we have to believe it will be better than what we just went through. It is tough to watch the crops wither and die in the heat, but high prices and crop insurance helped many producers survive without too much damage to their finances and for those growers that have invested in irrigation over the years, this year was most likely pretty profitable.

The futures market indicates that crop prices will be weaker for the 2013 crops, but they are still attractive. Things might change by planting time, but the new crop futures prices suggest good returns over variable costs for next year's crops. Aggregate budgets show net returns for corn higher than those for soybeans for next year, and corn acreage is expected to stay high. But soybean acreage will also stay high with a likely increase in double-crop wheat and soybeans in the South and more soybeans in the Plains states. Acreage for winter wheat likely increased this fall and there is a significant amount of land that came out of the CRP in the Northern Plains states.

The overall economic outlook for the industry looks very good for next season. With trend yields, crop revenue will increase while expenses increase modestly. Livestock producers are cutting back on production now, which will result in higher prices in 2013. Meanwhile land prices continue to rise, but the rate of gain is slowing. So at least with a set of "normal" assumptions the relatively good times in the farm sector will continue for at least the next year or two.

Crop insurance played a very big role in helping the crop sector in 2012. The severe drought covered most of the country and many producers saw yield reductions of 25 percent, 50 percent or even more compared to "normal" levels. But most of the acres were covered by at least some type of crop insurance. There were more than 1.2 million crop insurance policies in 2012 protecting 281 million acres of eligible crops. The final figure cannot yet be determined, but insurance payouts are expected to total more than \$25 billion, compared to the \$10.8 billion paid in 2011, which was a record high.

This was a year when the value of irrigation was clearly demonstrated. All across the country crops withered and died due to a lack of water. But in a lot of places, the value of irrigation was essentially immeasurable. There were countless reports across the country of yield differences in irrigated corn vs. dryland in the same region of 50 to 150+ bushels per acre additional production. For example, farmers with irrigated fields in southwest Kansas harvested 120 to 150 bushels per acre of corn, while dryland fields across the road were not even worth harvesting. With the ongoing drought in the Plains states, restrictions on water use are expected to increase so it will be even more important for farmers that do have irrigation to use efficient methods to apply the water and to be a good manager of how the water is applied - keeping efficiency in mind at all times. With back-to-back-to-back years of below trend corn yields, we may be facing more challenging patterns of weather and irrigation can help balance out this uncertainty.



WINTER 2012

Valley 🏹





Committed to Water Efficiency & Conservation

Dedicated to providing real solutions for growers, Senninger Irrigation Inc. recognizes that water efficiency must be well thought out from the initial irrigation system design through installation, assuring optimal performance. Factors that ultimately determine overall irrigation efficiency include: system performance, uniformity of water application and the crop's response to the applied irrigation practice. Without thoughtfully planning these key steps, a percentage of the water can be lost because of evaporation, wind, improper system design, installation or management, thus reducing the efficiency of the installation and design.

As a Valley Authorized Provider that is aware of the many challenges irrigators face, Senninger believes more emphasis needs to be given to the efficient use of irrigation water—not only to save time, water, money and energy—but to also properly sustain our resources around the world.

Known for low pressure-high performance irrigation products, Senninger remains focused on how to help growers achieve the best water application, resulting in improved crop yield. Many of the company's products, such as the UP3 line of center pivot applicators, are designed to perform best at ultra-low pressures of 10 to 15 psi—a maximum of 20 psi. These lower pressures deliver maximum benefits to irrigators interested in optimum water efficiency, lower overall costs and peak product performance.



Celebrating 50 Years

Founded with a groundbreaking invention—the Insect-Proof Sprinkler—in the early 1960s, Senninger has led the industry with innovations designed to meet specific needs. In the years that followed, Senninger introduced the color-coded nozzle system for easy size identification and the Windfighter[™]—the first low angle 6-degree sprinkler ever designed for use on center pivots. Today, the Pivot-Master line of impact sprinklers is still utilized worldwide. In 1978, Senninger created Wobbler Technology, providing outstanding uniformity over a large area of coverage. In 1999, the i-Wob was released, bringing this patented off-center rotary action design to center pivots.

Senninger went on to release innovations which solved various irrigation challenges such as: the first drag hose adapter for spray nozzles, double gooseneck and truss rod hose slings, UP3 Easy Clean Nozzle line and many more.

"Our focus on excellence in innovation will carry us over the next 50 years," said James Burks, president of Senninger Irrigation. "At Senninger, we pay special attention to the challenges growers face each day so that all of our research, testing and product development is targeted to what the customer truly needs."

Over the years, Senninger's products have earned a solid reputation for reliability and performance. With several designs available, growers can select the product best suited for their irrigation requirements. Recognizing that true success rests on helping growers succeed, Senninger continues to provide more effective and efficient ways to best apply water to crops. The company remains focused on generating fresh ideas through its internal Research and Development division, and from strong relationships with customers and other partners in the field.

As natural resources—particularly water—become more limited, water efficiency must be the focus for irrigators around the world. Senninger is dedicated to persevering to solve irrigation challenges that will impact generations to come.

Celebrating 50 years in the industry, Senninger Irrigation is one of the world's leading manufacturers of agricultural irrigation products, including sprinklers, spray nozzles and pressure regulators. Available worldwide and made in the United States of America, Senninger products are manufactured at the company's headquarters in Clermont, Florida. Senninger branch offices are located in Texas, Nebraska and Brazil. Visit www.senninger.com for more information.

Diversified Financial Services, LLC

Diversified Financial Services (DFS) has been providing retail financing and insurance for Valley dealer customers for over 40 years. DFS has been the renowned leader in the irrigation finance industry since Valmont created the company in 1969. DFS has financed and insured more irrigation systems than anybody else because their products and services are tailored to meet the unique needs of every customer.

Because relationships are their primary focus, DFS takes a different approach to the credit application process. While most finance companies have implemented automated credit approval systems, DFS uses dedicated Relationship Managers to work on every transaction. The Relationship Manager works directly with the customer throughout the application process which allows the Valley salesman to focus more on their customer's needs. DFS realizes that finance and insurance needs are not the same for every customer and this personalized service provides DFS the ability to identify and understand those needs. Another differentiating feature that helps provide an overall solution to customer needs is the physical damage insurance products offered by DFS' affiliate company, Diversified Agrisurance Company (DAC). DAC is the largest insurer of center pivot irrigation equipment in the United States and offers the most comprehensive physical damage insurance product in the industry. DAC's policy is a Replacement Cost Coverage policy that covers a wide variety of perils. Following in the footsteps of DFS, DAC takes a personalized approach to insurance and can provide the fastest claims service in the industry because in many cases your Valley dealer will act as the claims adjuster.

DFS is proud to be a Valley Authorized Provider. The many years of experience specializing in irrigation finance and insurance has given DFS the ability to recognize and meet the unique needs of every operation no matter what type it is or where it is located. Ask your Valley dealer about how DFS and DAC can customize the most efficient finance and insurance program for your needs.



Don't forget to see your local Valley dealer before it's too late!

Enter for a chance to win one (1) of four (4) John Deere Gators[™] to be given away.

Sweepstake ends December 28, 2012.

NO PURCHASE NECESSARY. A PURCHASE WILL NOT INCREASE YOUR CHANCES OF WINNING. LEGAL RESIDENTS OF THE 50 UNITED STATES (D.C.) AND CANADA (EXCL. QC) 21 YEARS AND OLDER. VOID IN QC AND WHERE PROHIBITED. Sweepstakes ends 12/28/12. For Official Rules, alternate method of entry, prize descriptions and odds disclosure, visit a participating Valley Dealership or www.valleygatorgiveaway.com. If Canadian resident, mathematical skill-testing question must be correctly answered to win. Four Grand Prizes (approximate retail value of \$10,000 USD) available to be won. If you would like your name removed from Sponsor's mailing list email: irrigation@valmont.com or call 800-VALMONT x3505 and your name will be removed within 60 days of the request. Sponsor: Valmont Inrigation, a division of Valmont Industries, Inc., 28800 Ida St., P0 Box 358, Valley, NE 68064, U.S.A.



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* Drive unit cash allowances apply to any 5000, 7000 or 8000 series machines of 3 drive units or more. Buyer has the option to select one of the following promotional offers: 1.) An instant cash rebate. 2.) A Control Technology Rebate if a Select2, Pro2 or TouchPro panel is added at the time of the machine purchase. 3.) Low rate financing – available only on 5 and 7-year finance programs with participating Valley Authorized Finance Providers in the USA.

DON'T MISS OUT! Invest in a new Valley machine **TODAY!**

• Section 179 limits for the year 2012 allows businesses to write-off up to \$139,000 of qualified capital expenditures subject to a dollar-for-dollar phase-out once these expenditures exceed \$560,000 in the 2012 tax year.

671 NO

• Bonus Depreciation allows larger businesses that exceed the \$560,000 cap to write-off 50% of qualified assets using first year Bonus Depreciation.

www.section179.org

Take advantage of this special provision for 2012. It may change for 2013 – so take advantage of the benefits while you can and act now.

Valmont Irrigation does not provide or assist with tax accounting advice. Customers are strongly encouraged to talk to their tax/accounting professionals for more information regarding the tax treatment of their transactions.