

## Business Watch

From Register staff and news services

### Factory activity fueling modest recovery

Hopes that America's factories will help drive the economic recovery gained support Monday as manufacturing activity grew in January to its strongest point since 2004.

Other reports Monday offered a reminder that the recovery remains fragile. Construction spending sank in December to its lowest level in more than six years. And gains in personal income and spending were too modest in December to suggest that consumers can fuel a strong rebound.

Manufacturing activity has become a pocket of strength, though some of it flows from temporary factors such as customers needing to add to depleted stockpiles of goods.

The Dow Jones industrial average rose 1.2 percent, its biggest gain since Jan. 4.

### Exxon Mobil posts lowest annual profit since '02

Exxon Mobil's earnings fell by more than half to \$19.3 billion in 2009, the lowest total in seven years, as company refineries struggled with a plunge in global fuel consumption. But Exxon remained the profit champion among U.S. public companies.

The world's largest publicly traded oil company finished the year with a 23 percent decline in fourth-quarter income. Exxon has posted lower profits for five straight quarters after setting a record of \$14.83 billion in the third quarter of 2008.

### Gannett reverses loss, reports smaller ad drop

Gannett Co., the largest U.S. newspaper publisher, said Monday that it turned a profit in the fourth quarter, helped by a drop in one-time costs and a smaller decline in ad sales.

The earnings report showed Gannett has been able to cut expenses enough to stay profitable despite steady revenue declines. Other big publishers, such as McClatchy Co., have followed a similar course in trimming staff and consolidating printing and delivery operations.

"We are a leaner, stronger company as we move into 2010," Gannett Chief Executive Officer Craig Dubow said.

Although Gannett's earnings topped Wall Street's estimates, its shares tumbled 7 percent Monday. Analysts traced the sell-off to a recent run-up in Gannett's stock price and uncertainty about how long the declines in newspaper advertising will continue. Gannett executives emphasized ad sales are picking up at the company's television stations, but weren't nearly as effusive about its newspapers, which include The Des Moines Register, the Iowa City Press-Citizen and more than 80 other daily publications.

### GuideOne buys line of church insurance

GuideOne Insurance has purchased the renewal rights to Argonaut Great Central Insurance Co.'s religious institution book of business.

GuideOne will begin taking over the insurance beginning with April 1 renewals.

The book represents approximately \$13 million in church premiums and 3,300 policies for 1,900 churches, in an 18-state region primarily in the Midwest.

### Correction

A photo with Sunday's article on the Foursquare social media application misidentified the location where the picture was made. Mars Cafe offers two-for-one drink specials for the Foursquare "mayor." Another photo depicted an iPhone belonging to an employee of Mars Cafe.

## Stocks of Iowa Interest

|                      | Close  | Change |                     | Close | Change |
|----------------------|--------|--------|---------------------|-------|--------|
| AT&T                 | 25.38  | +0.02  | Lee Enterprises     | 4.13  | -0.11  |
| Aegon                | 6.23   | +0.31  | Lennox              | 38.60 | +0.38  |
| Alcoa                | 13.36  | +0.63  | Marsh & McLennan    | 21.68 | +0.12  |
| Alliant Energy       | 31.31  | +0.11  | Mediacom            | 4.32  | +0.16  |
| American Equity Life | 7.34   | ...    | Meredith            | 31.47 | +0.49  |
| Ames National Corp   | 18.13  | -0.37  | MetaFinc            | 17.58 | -0.22  |
| Archer Daniels       | 30.16  | +0.19  | MidWestOne          | 9.54  | +0.04  |
| Arts Way             | 4.15   | +0.10  | Monsnto             | 77.31 | +1.43  |
| Aviva                | 12.75  | +0.25  | NCentBsh            | 14.51 | -1.33  |
| Bank of America      | 15.42  | +0.24  | PepsiCo             | 60.70 | +1.08  |
| BerkH B s            | 75.41  | -1.02  | Principal Financial | 23.33 | +0.28  |
| BonTon               | 9.11   | +0.36  | Procter & Gamble    | 61.99 | +0.44  |
| Burlington Northern  | 99.84  | +0.11  | Qwest               | 4.22  | +0.01  |
| Caseys               | 30.73  | +0.05  | Regions Financial   | 6.64  | +0.29  |
| Citigroup            | 3.34   | +0.02  | Rockwell Collins    | 54.04 | +0.85  |
| ConAgra              | 22.94  | +0.20  | Sauer-Danfoss       | 11.35 | -0.02  |
| Deere                | 51.35  | +1.40  | SearsHldgs          | 94.24 | +0.96  |
| DuPont               | 33.66  | +1.05  | Smithff             | 15.39 | +0.33  |
| EMC Insurance Group  | 20.57  | -0.11  | Target              | 51.09 | -0.18  |
| Exxon Mobil          | 66.18  | +1.75  | Terra Industries    | 32.89 | +1.29  |
| FBI Financial        | 18.02  | +0.08  | 3M                  | 80.44 | -0.05  |
| Flexsteel            | 11.26  | -0.41  | Tyson               | 13.99 | +0.17  |
| FordM                | 11.12  | +0.28  | Union Pacific       | 62.31 | +1.81  |
| Gannett              | 15.02  | -1.13  | United Fire         | 16.92 | +0.10  |
| GreenPlns            | 13.15  | +0.09  | United Parcel       | 58.39 | +0.62  |
| HNI Corp             | 25.80  | +0.78  | US Bancorp          | 25.18 | +0.10  |
| Heartland Express    | 13.95  | +0.06  | ValeroE             | 19.16 | +0.74  |
| Heartland Financial  | 14.02  | +0.07  | Wal Mart            | 53.48 | +0.05  |
| Hormel               | 39.12  | +0.42  | Wells Fargo         | 28.93 | +0.50  |
| ING                  | 9.80   | +0.40  | West Bank           | 5.00  | -0.10  |
| IntlAsst             | 15.01  | +0.12  | Whrlpl              | 76.06 | +0.88  |
| IBM                  | 124.67 | +2.28  | Winnebago           | 12.25 | +0.30  |
| Iowa Telecom         | 16.36  | ...    |                     |       |        |

## Grains & Livestock

**SOYBEANS**  
\$9.10 - \$0.04

**CORN**  
\$3.59 + \$0.02

**CATTLE**  
\$85.25 - \$0.55

**HOGS**  
\$64.37 - \$2.13

### IOWA REGIONAL

Iowa elevator bids on corn and soybeans compiled by the Federal-State Grain Market News in Des Moines on Monday. Amounts below are price per bushel.

| REGION        | CORN (No. 2 Yellow) | SOYBEANS (No. 1 Yellow) |
|---------------|---------------------|-------------------------|
| Northwest     | \$3.17-\$3.32       | \$8.51-\$8.63           |
| North Central | \$3.24-\$3.39       | \$8.45-\$8.57           |
| Northeast     | \$3.25-\$3.42       | \$8.45-\$8.64           |
| Southwest     | \$3.11-\$3.31       | \$8.51-\$8.70           |
| South Central | \$3.23-\$3.35       | \$8.55-\$8.72           |
| Southeast     | \$3.17-\$3.38       | \$8.52-\$8.70           |

### FUTURES

Futures trading on the Chicago Board of Trade:

**SOYBEANS: 5,000 bu min.-cents per bushel**

|        | OPEN   | HIGH   | LOW    | SETTLE | CHG.  |
|--------|--------|--------|--------|--------|-------|
| Mar 10 | 909.75 | 924.75 | 908.25 | 909.75 | -4.25 |
| May 10 | 926.50 | 934.50 | 919    | 920.75 | -4    |
| Jul 10 | 925    | 942.25 | 925    | 928.75 | -4    |
| Aug 10 | 930.75 | 934.50 | 922.50 | 924.50 | -2.50 |
| Sep 10 | 914.75 | 922.25 | 911    | 913.75 | -3.25 |
| Nov 10 | 909    | 920    | 905.75 | 908.75 | -2.50 |
| Jan 11 | 924    | 925    | 916.50 | 918    | -2.50 |
| Mar 11 | 931    | 931.50 | 924.75 | 926.50 | -2.50 |
| May 11 | 934.75 | 934.75 | 927.75 | 927.75 | -2.50 |

Friday's sales 149261

Friday's open int 471783, up 4118

**CORN: 5,000 bu min.-cents per bushel**

|        | OPEN   | HIGH   | LOW    | SETTLE | CHG.  |
|--------|--------|--------|--------|--------|-------|
| Mar 10 | 358.50 | 360.75 | 355.50 | 359    | +2.50 |
| May 10 | 370    | 371.75 | 366.50 | 370.25 | +2.50 |
| Jul 10 | 380    | 381.50 | 376    | 380.25 | +2.75 |
| Sep 10 | 387    | 388.25 | 383.25 | 387.50 | +3.25 |
| Dec 10 | 392    | 395    | 390    | 394.50 | +3.75 |
| Mar 11 | 405.25 | 406    | 400.25 | 405.50 | +3.75 |
| May 11 | 412    | 412.75 | 407.75 | 412.75 | +5    |
| Jul 11 | 417.50 | 418.50 | 413    | 418.25 | +5.50 |
| Sep 11 | 409.50 | 414.50 | 409.50 | 414.50 | +4.25 |

Friday's sales 221861

Friday's open int 1149428, up 7978

## How to Contact Business

Lynn Hicks, executive business editor, (515) 284-8290 or lhicks@dmreg.com

Contact a reporter: (515) 284-8065  
General e-mail: business@dmreg.com

## BUZZ

FROM PAGE 13A

the least limber, Katich told the L.A. Times two years ago. But, he added, basketball players' bodies are "usually long and lean and suited for yoga."

"Yoga improves balance and works smaller muscles that normally wouldn't get worked," he told the Times. Plus, it improves concentration.

Katich played two years of college basketball at the University of South Dakota before a teammate got him into yoga during the late 1980s while he was playing basketball in Sweden.

When Katich returned to the States, he began studying and teaching yoga. The yoga culture of the time did not appeal to Katich, but the moves did.

"Ultimately, I found techniques that I liked," he said, such as using R&B music as a backdrop.

Today, visitors to his Los Angeles studio are more likely to hear "Tupac blasting from the speakers than New Age goddess Enya," ESPN's Ortiz wrote.

Katich said that after coming up with the idea of taking his style of yoga to consumers under the brand name Yogaletics, he formed a partnership with GoFit, an Oklahoma company that markets a variety of home gym products including the Exercise Ball. Katich produced instructional DVDs that GoFit packages with yoga mats, straps and other equipment used in his sessions.

**Farm radio:** Longtime farm broadcaster **Doug Cooper** has a new radio home at WHO-AM (1040).

Cooper had worked for Iowa State University's Extension Service for years, providing market updates and agricultural news to listeners to the university's WOI-AM (640) station and later to the Iowa Public Radio network in 2006.

Extension eliminated his job, and he took early retirement at the end of January. His last day at WOI was on Friday.

But this Thursday he will be back on the air at WHO radio doing market reports at 40 minutes after the hour.

"He's the third member of our farm team, along with **Mark Pearson** and **Bob Quinn**, and we're glad to have him" said



PHOTO COURTESY KENT KATICH

Kent Katich works with Philadelphia 76ers guard Andre Iguodala at his studio in the Westwood district of Los Angeles.

**Joel McCrea**, Iowa manager for Clear Channel Communications, which owns WHO.

**More radio:** Des Moines radio station KRNT-AM (1350), returned local hosts to its morning broadcasts last week and will add a new dimension to weekend broadcasts with an hour-long show hosted by **Mike Pace**, beginning Feb. 6.

"I've always wanted to do a recorded show where I chose the music and I chose the topic," said Pace, a well-known local pitchman who hosted radio shows in the 1970s and '80s.

"I'll have an occasional interview, but mostly it will be four or five topics during the hour, varying from silly to heavy, things that are interesting to me," he said. His pre-recorded show will air at 8 a.m. Saturdays and be rebroadcast at 9 p.m. Sundays.

KRNT also brought back local radio personalities **Cal Bierman** and **Mary Day**. Both had been replaced more than a year ago by satellite programming.

**Jeff Delvaux**, general manager of Des Moines Radio Group, which owns KRNT, said listeners were tuning in to the station, but not staying as long as they used to. "We attributed (that) to not enough local content," he said.

Bierman now fills the 7-9 a.m. slot, and Day is on from 9 a.m. until noon. Both play music from the 1950s, '60s and '70s, in addition to handling traffic reports and introducing local and national news.

**N.Y. move:** The New York Post

reports that Meredith Corp. is looking to consolidate its multiple New York locations into one office.

Buzz's suggestion: Move more of those operations closer to its base in Des Moines, which has plenty of open commercial real estate. According to a 2009 survey, 1.5 million square feet of office space was vacant in the western suburbs and 735,000 square feet was vacant downtown. When Aviva USA and Wellmark move into their new buildings, approximately 800,000 square feet will become available downtown.

Meredith seeks 350,000 square feet in New York, the Post reports.

Meredith picked up more New York City real estate in 2005 when it bought four magazines from Gruner + Jahr. Meredith has moved some of those jobs to Des Moines.

**Birthdays:** Des Moines YMCA chief **Vernon Delpesce** turns 54 today. ... **Julia Lawler**, chief investment officer at Principal Financial Group, will be 50 on Wednesday, and former state auditor Richard D. Johnson will be 75 that day. ... Lawyer **Jonathan Wilson** (65) and Des Moines parks director **Don Tripp** (52) share a birthday Thursday. ... Former Pioneer Hi-Bred executive and Iowa Business Hall of Famer **Owen Newlin** turns 82 on Saturday. ... Former WHO Radio broadcaster and 40th president of the United States **Ronald Reagan** was born 99 years ago this Saturday in Tampico, Ill.

## BUDGET

FROM PAGE 13A

many Iowa family farmers."

Under the president's budget, grain and cotton farmers could receive no more than \$30,000 a year in a type of payment that they are guaranteed every year regardless of fluctuations in market prices. The current limit is \$40,000 a year.

About 1,400 Iowa farmers now receive more than \$30,000 a year in such payments, according to data compiled by the Environmental Working Group, a research and advocacy organization. Those farmers represent about 1.4 percent of the 101,000 recipients of those subsidies in Iowa. Nationwide, about 2 percent of current recipients would be affected.

Iowa farmers collectively receive about \$500 million a year in fixed payments, 10 percent of the total distributed nationwide.

The president also wants to restrict those subsidies to farmers with no more than \$500,000 in farm income and \$250,000 in nonfarm income. The current caps are \$750,000 and \$500,000, respectively.

The \$30,000 cap would have the largest effect on Iowa farms because bigger farms have structured their ownership to keep members within the legal limits,

## TOYOTA

FROM PAGE 13A

**Q. What happens if I don't hear from Toyota?**

**A.** It may take a few weeks to receive the notification letter. Many vehicles, including certain Camry, RAV4 Highlander and Corolla vehicles, are not included because their pedal comes from a different supplier.

If a customer does not receive a letter, his vehicle is unaffected.

**Q. Which models are included in the accelerator pedal recall?**

**A.** Toyota stopped sales of the following models: 2009-10 RAV4, 2009-10 Corolla, 2009-10

said Chad Hart, an economist at Iowa State University.

Crop insurers and the agents who sell their policies would see a cut of \$8 billion over 10 years under a proposal that the U.S. Department of Agriculture has been circulating in Congress and is included in Obama's budget.

The 15 insurance companies, four of which are based in Iowa, have protested that the cuts are excessive and will damage the program. An industry trade group recently offered to take a cut of just \$500 million over five years.

Payments to the industry have doubled from \$1.8 billion to \$3.6 billion over the past three years as commodity prices have risen, while the number of policies has dropped from 1.3 million to 1.1 million, the USDA said. The Iowa firms are Rain and Hail LLC, Farmers Mutual Hail Insurance Co., John Deere Risk Protection Inc., all based in the Des Moines area; and Agro National LLC in Council Bluffs.

Companies and agents are paid for overhead costs, and the companies also pocket most of the profit from the policies when premiums exceed losses. The program's profitability has soared in recent years as premiums have soared along with the prices of the insured commodities.

Conservation groups were unhappy with proposals to scale back increases in programs that

subsidize anti-pollution measures on farms or reward farmers for improved environmental practices.

The Environmental Quality Incentives Program helps livestock farms and other operations pay for installing manure controls and other improvements. It would grow slightly to \$1.2 billion in 2011, but it had been set to rise \$380 million more under the 2008 farm bill, said Craig Cox, senior vice president for agriculture and natural resources at the Environmental Working Group.

The Conservation Stewardship Program, which pays farmers for measures that conserve soil and water quality, would be trimmed by 769,000 acres, he said.

Sen. Tom Harkin, D-Ia., who got CSP enacted in 2002, said Obama's proposed cuts in "agricultural conservation will be damaging for rural America."

Sen. Charles Grassley, R-Ia., who has championed cuts in payments to large farms, said Obama's proposals didn't go far enough because they wouldn't cap subsidies that are linked to fluctuations in crop prices.

But Senate Agriculture Committee Chairwoman Blanche Lincoln, D-Ark., has been a staunch defender of subsidies, and she said the president's plan "places a disproportionate burden on the backs of farmers and rural communities."

**A.** The problem is with a "friction device" within the pedals. The automaker plans to install a steel reinforcement bar into the pedal assembly in order to reduce friction.

**Q. Wasn't there another recall for the same issue?**

**A.** Toyota is in the process of recalling vehicles to address rare instances in which floor mats have trapped the accelerator pedal in certain Toyota and Lexus models and is notifying customers how it will fix this issue.

Some vehicles are involved in both recalls. Toyota said that in such cases it plans to make both fixes at the same time.

**Q. What is the gas pedal fix?**