

APRIL 2010 NEWSLETTER

WHEAT CROP: The local wheat crop remains in mostly excellent shape. What a difference from last year, not only in the condition of the crop, but regrettably in the condition of the market as well. Look for much lower yields on the later planted wheat fields, as much of it did not tiller out well due to cold temperatures and excessive moisture this winter. There remains also a concern for the root structure of this crop due to the same winter weather conditions, which prohibited the plant from forming a good, sturdy root structure. This crop will be susceptible to hot, dry, windy weather for any length of time. With cool spring weather we should be able to maintain an above average wheat crop this year.

WHEAT MARKET: Crop report out last week confirmed lower planted wheat acres in the US, down 9% from previous year. Winter wheat acres are down 13%, (but up 2% from previous estimate). Oklahoma's Hard Red Winter Wheat acres are down 9% from last year. The lower acres, however, are overshadowed by huge wheat stocks, which continue to weigh heavily on the market. Assuming this year's wheat crop comes in as bountiful as expected, stocks will continue to grow larger in the US, and in the world as well. The US export program is stagnant, especially for lower protein wheat similar to what we have in store. Support in KC July wheat held last week and rebounded. Technically, this signals a possible near term bottom, and hopefully we can hold \$4.00 wheat come harvest time. The investment money has shied away from the wheat market, and if anything, are short the market. Anticipated inflation concerns may make commodities attractive again in the future. Spring crop planting progress, or lack thereof, could also affect the wheat market, hopefully in a positive way.

AG FACT: Over the past ten years, Oklahoma has produced an average of approximately 134 million bushels of wheat each year.

THE U.S. DOLLAR: The actual value of a dollar bill is relative to the performance of the ever troubled U.S. economy. In short, the dollar is only as good as the U.S. economy. A decrease in the value of the dollar makes our exports "less" expensive to foreign buyers. Likewise, an increase in the value of the dollars makes our exports "more" expensive. While the dollar has recently risen somewhat, the current 'general consensus' is that the dollar will eventually decline as interest rates will go up and inflation increases, increasing the value of our exports, therefore, increasing general commodity market prices, across the board. The US economy continues to face unprecedented challenges, being met with continual increases in spending, to attempt to re-inflate the bubble

AG FACT?: If bread was not readily available at the supermarket, would you be able to grind wheat into flour and make and bake your own bread?

WHEAT HARVEST MARKETING POLICY: Our policy remains as last year, a consequence of market volatility. Wheat Harvest Marketing Policy, is as follows:

(shaded in box)

ALL WHEAT WILL BE CONSIDERED “STORED” WHEN DELIVERED.
ALL WHEAT “SALES” MUST BE ENACTED BY CONTRACT ONLY, FROM OPEN STORAGE OR BY FORWARD CONTRACT, DURING OPEN MARKET HOURS.

(Monday thru Friday 9:30am – 1:15pm)

There will be **NO** “*selling across the scales*” at harvest. ALL sales by contract only!

AG FACT: Wheat sales can only be made while the wheat market is “open”. Weekdays, from 9:30am-1:15pm.

CONSTRUCTION: Our expansion continues and completion continues to be scheduled for before wheat harvest. This addition will increase our storage capacity and enable us to take advantage of transportation glitches which occur too regularly these days. We remain committed to local agriculture and we are proud to have your association, your friendship and your business. Check out our website (www.cassidygrain.com) and watch us grow!

AG FACT: This week, the 10-year Treasury yield, the benchmark for U.S. consumer and corporate borrowing, rose to 4% for the first time since June. The move extends a steady increase by Treasury yields, which move inversely to prices, lifted by a combination of stronger economic data and the barrage of debt issued by the government to meet its financing needs. Recent Treasury auctions have met with much weaker demand and Monday's move comes ahead of more auctions this week, with the Treasury Department set to sell \$82 billion of Treasury notes and bonds. The 10-year yield is a key benchmark for mortgage rates and other consumer and corporate lending. A sign of more to come?

CANOLA: Yes, we will have a market for your CANOLA crop this harvest. Please advise us of your acres so that we may be able to plan for your production. The crop looks good so far, but will take additional monitoring to maximize potential CANOLA production. Scout immediately for cabbage aphids. This pest has the potential to lower your production substantially if not sprayed for effective control. Some fields have already been sprayed. We would very much like to handle your profitable CANOLA crop this harvest!

SPRING SEEDS: Adequate quantities of spring seeds remain available. **Sorghum-Sudan (TRIO-SWEET)** is available in either bulk, or bagged. We also carry **German Millet** and **Brown Mid-Rib**, as well as several **Milo** varieties. Seed prices are reduced from previous years. **Milo** is a plausible alternative summer crop considering the economics of inputs and market price. Book and pre-pay to guarantee supply and price!

SESAME: There has been much interest in **SESAME** this year. Consider a summer **SESAME** double-crop, as we will be handling seed this spring, and your harvested seed crop this fall. Plant in-between wheat crops for additional income, and efficient use of excessive underground water tables. Shattering has been bred out of today's seeds, increasing harvest ability, and increasing yields. We have a guaranteed market, and crop production advice, to make your **SESAME** crop a success!

CREDIT: We have increased and extended our credit lines to accommodate a "changed" agricultural input operating environment. We urge you to also contact your banker to arrange for an extended and increased line of credit to cover current and future input costs. You will need a very good relationship with your banker to be able to finance future ag inputs.

AG FACT: Remember, that while not probable, it **IS** certainly possible for wheat to move the \$.60 per bushel limit.....up, and/or down, during a single trading session.

TEXT MESSAGING SERVICE: If you would like to take advantage of this **FREE** market service, please provide us with your cell phone number and your cell phone service provider, and you can receive daily wheat market price information by text message. We update the closing cash price of wheat on a daily basis. All you have to do is ask! ☺

RAIL FREIGHT: Rates continue to increase and service continues to decrease. We continue to struggle through complicated rail logistic and pricing issues. Transportation rates significantly influence the local cash price of grain. Captive rail shippers are especially vulnerable to rates and car availability.

LANDLORD NOTICE: IMPORTANT – Landlords must have **Oklahoma Sales Tax-Exemption Permit Number** on file to purchase crop inputs free of sales tax! This includes pesticides and fertilizer. Please check with *your* landlord, make sure that they have a tax number. ***Per State Law, tax will be added to those whose tax-exemption number is not on file.*** Tax-exemption numbers can be obtained by contacting the Tillman County Tax Assessors Office at 580-335-3424.

MAY NEWSLETTER: A special Wheat Harvest Edition of our monthly newsletter will arrive next month, which will contain valuable information on the coming wheat harvest. This will again include our wheat harvest marketing policy, as well as other 2010 harvest particulars.

DEER PLOTS: We have a Summer Annual Plot Mix for planting. With the rain, **NOW** is a good time to sow to bring in the deer for your pleasure. A mixture of **Millet, Milo. Mungbeans and Cowpeas**, it is an excellent choice that deer love, and a proven attractant, blended for use in Oklahoma!

FARMERS OIL CO: Fuel prices have edged upward to near \$87/barrel again and there seems to be no end to higher prices. Keep in mind that we do all possible to provide you with the least expensive fuel prices available. Call for diesel quantity deliveries.

AG FACT: One year ago, the cash price for wheat was \$4.77 per bushel; Unleaded gasoline \$1.949 per gallon; Farm Diesel \$1.699 per gallon.

GRASS PASTURES: Since we currently have ample moisture, fertilize grass pastures NOW, to maximize spring forage production. More rain is in the forecast. Weeds in pastures are up and coming. We can tank mix nearly any chemical/fertilizer blend you require. Aerial herbicide application is also available. **Cutoff date for 2-4D is May 1st.** Windy spring weather often hampers application efforts. Get your name on the list today!

GLYPHOSATE: Roundup herbicide is “rainfast” when it dries on the plant, 2-4 hours. Do not spray when temperature is below 40 degrees, or when daytime temperature does not reach 50 degrees. Wait 2-3 days after a frost or freeze before spraying to allow weeds, or wheat to recover from potential damage. Glyphosate remains a very cost effective method of weed control.

AG FACT: Cooler temperatures will take longer for glyphosate, and other herbicides, to activate and control weeds. It WILL work, but it will take longer!

LAWN CARE: With the recent rainfall, and more expected, NOW is the time to fertilize for a beautiful summer lawn. We have lawn fertilizer, especially blended for your lawn. We also have pesticides to rid your lawn of pests such as fleas and ticks, and unwanted weeds. We furnish spreaders, free of charge, to get the job done!

AG FACT: You “must” have a **Private Applicator License** to purchase ‘Restricted Use Pesticides’.

GARDEN SEEDS: Recent rainfall will increase interest in planting a spring garden. We carry the most common garden varieties of selected vegetables, such as sweet corn, turnips, radishes, watermelon, okra, black-eye peas, green beans, and squash. All seeds are available in bulk. ***Did you know that tending a GARDEN has been proven to help reduce stress?*** Be assured of the quality of the food you eat, grow your own!

TICKED OFF?: Flea and tick season is here! The best thing to rid your yard or lawn of these pests is to: 1) Broadcast “**TURF RANGER**” insecticide; and 2) Apply **SULPHER**. This will temporarily take care of your tick problems. Repeat as necessary. For indoor/outdoor spraying, **TEMPO** works very well. We carry several other flea and tick products for your pets, as well as fly bait, fly spray and many other home and garden pest control items.

LUMBER: Don't forget that we carry "most" lumber and building-related items for your spring "fix-up". We are reasonably priced, and can get most any item you need on order, if we don't carry what you are looking for. Give us a shot, price anything from 2x4's to plywood, shingles and roofing products, doors, or concrete. We 'aim to please!

Thank you for your business!

Prices in box:

As of April 7 2010:

Cash Wheat Price.....	\$ 3.92/bu.
New Crop Wheat Price (June '08 Del.).....	4.25/bu.
Cash Corn Price.....	.3.07bu.
Cash Milo Price.....	4.58/cwt.
Regular Unleaded Gasoline.....	\$ 2.819/gal.
Super Unleaded Gasoline.....	2.969/gal.
Premium Unleaded Gasoline.....	2.999/gal.
Road Diesel (Taxed).....	2.869/gal.
Farm Diesel (No-Tax).....	2.399/gal.

Prices subject to change without notice.