

NEWSLETTER - AUGUST 2006

WHEAT MARKET: From last months high of \$4.97 per bushel to a recent low of \$4.39 per bushel, wheat is currently trading at approximately \$4.50 per bushel. Typical of a weather market, with extremely heavy fund related trading. Concerns over northern spring wheat production fueled the latest rally, which failed after making new contract highs. Concern will soon turn to fall planting conditions. Export inspections are currently meeting expectations. Much will depend on the results of impending Iraqi wheat tender. Expect very choppy trading with an emphasis on higher prices into the fall.

CROP CONDITIONS: What can be said that you do not already know? It is as dry as it has ever been. After suffering from the worst wheat harvest in southwest Oklahoma history, a disastrous cotton production outlook, and a disappointing summer crop harvest, we now turn our heads toward the prospect of another dry wheat planting fall. All we can do is to conservatively plan for the best, count the many blessing we continue to receive, and to pray for rain.

AG FACT: www.cropconditions.com is a unique website created by local broker, Justin Lewis. Visit this site and register for high quality crop and marketing information.

SOIL TESTS: We continue to offer FREE soil test analysis. You can bring in your samples, or bring in your legal descriptions and we will collect the samples for you. Results are usually returned within 10 days. The decision to fertilize can be made closer to planting. Soil testing takes the guess work out of fertilizer application. KNOW what your crop needs, before you apply it! If you test your soil, you will know which and how much fertilizer to apply!

AG FACT: No-till wheat cropping systems generally require 20-30 lbs./acre more NITROGEN than conventionally tilled ground. A successful no-till wheat program must include a crop rotation system. Apply phosphates now, then topdress nitrogen in fall and spring, if conditions permit.

SEEDWHEAT: We have several different varieties available for fall planting, and it appears that supply will be sufficient to meet demand, however, with many failed cotton acres probably going to wheat, supply may run short. Book your seedwheat needs today to guarantee supply, and prepay to guarantee price. We will have the following varieties available bulk, or bagged: *Jagger*; *2158*; *Endurance*; *Fannin*. We are an “authorized” **AGRIPRO** seed dealer. All of our seedwheat is, as always, “**CERTIFIED**”.

CHEMICALS: We more than appreciate you, who have allowed us to supply your herbicide chemical needs. With much competition through the internet, and billion dollar company competitive pricing, we have stayed very competitive, and appreciate your keeping your chemical dollars in the local community, which needs it so badly!

CANOLA: Federal Crop Insurance has been approved for Fall 2007 Canola (rapeseed) production, by written application and agreement. Should drought conditions remain, Canola may be an alternative crop worthy of consideration. We recommend application, with the decision on planting to be made during the planting window of September 15 – October 15. We have been assigned a 1400 pound t-yield, which at the 75% level of coverage equates to \$110 per acre. **The deadline for application is August 31st**, and documentation requirements necessitate immediate application through your insurance agent. Hopefully, conditions will improve, negating canola planting prospects, however, be prepared to take advantage of alternative crop practices which may return additional income for your operation. We will have **seed** available for planting, and a **market** for your canola should you produce a crop.

AG FACT: Canola insurance premium cost is \$10 per acre. Seed cost is approximately \$5.00 per acre. Approximate production proceeds = \$.08-.085 per pound. There are many production decisions and considerations, should you plan on producing a crop, ie: nitrogen requirements 150N/acre. Visit the “**Okanola**” website at www.canola.okstate.edu for more crop production information.

AG FACT: Insurance adjustment on Canola will **NOT** be made until next spring. You cannot double crop wheat behind Canola. In other words, if you plant Canola, you might as well plan on a Canola harvest! Get the facts first!

COMPARE - IMPORTANT: Carefully consider **WHEAT vs. CANOLA!** When you consider combined coverage of NAP for fall wheat grazing (August 31st deadline); Multi-Peril on wheat; plus CRC Coverage on wheat (with current strong wheat futures prices) (September 30th deadline), you may very well be better off planting a wheat crop. Again, visit intensely with your crop insurance agent to compare and analyze the facts, and the numbers, to do what best fits your operating needs.

In Box Highlighted: ***NEW SERVICE!***

PROPANE: WE NOW EXCHANGE either 5 gallon (cookers) or 7.5 gallon (forklifts) PROPANE TANKS. A new venture to provide full service agricultural or local consumer propane needs. Call us ANYTIME, after hours, or on weekends to swap-out tanks, when yours run dry!

LUMBER: Planning remains underway for the opening of a separate lumber business. In the mean time, an ample supply of building materiel is available from our combined location. Come by the grain elevator office to procure your lumber needs, as our lumber business rapidly expands to a full-service facility. Let us quote your building needs, no matter how big, or how small. We are here to serve you!

RAIN GAUGE: Think positive!!! Stop by today for a FREE rain gauge!!!

SOME OF THE PRODUCTS WE SELL: Grain; Feed; All Seeds; Fertilizer; Propane Exchange; Lumber; Plywood, 2x4's; 2xwhatever; Sheetrock; Joint Compound; Shingles; Tar Buckets; Nails; Screws; Braces; Rebar; Pet Food; Garden Supplies; Insecticides; Herbicides; Fungicides; Quikrete; Duct Tape; Hitch Pins; Garden Hoses; Extension Chords; Fly Spray; Sevin Dust; Wasp Spray; Roach Spray; Glyphosate; Roundup; Lawn Fertilizer; Sulphur; Turf Ranger; Batteries; Alfalfa Hay; Grass Hay (round or square); Flea Collars; BioSpot; MSMA; Gopher Bait; Road Materiel (sand, gravel, rock); Dog Feeders; Deer Feeders; Deer Corn; Animal Traps; Wild Bird Feed; Fence Posts; Wire; Insulators; Baler Twine; Almanacs, Calendars, Rain Gauges (free); Stock Salt; Salt Blocks; Mineral; Cottonseed Cake; 20% Cubes; 14% Creep Pellets; Liquid Feed; Molasses Tubs; Fuel; Air; Water; Sprayers; and many other items!

NITRATE POISONING: Check recently harvested forage (SUDAN & MILLET) for nitrate toxicity. Droughty conditions reduce plant growth and increase nitrate accumulation, some reportedly as high as 10,000 ppm NO₃, which “*can*” be deadly to livestock, but mainly causes cows to abort calves. We have **BOVA-PRO** (propionibacteria), in a capsule form, which will enable you to feed or graze high nitrate forage, with no risk of aborting calves. Cost is merely \$8 per cow. **Bova-Pro** must be administered for a time period *before* feeding the forage. Ask for details!

AG FACT: The bottom six inches of the plant (stalk) may contain more than three times the nitrates in the top portion of the plant (leaves). Most high nitrate forage can be utilized as ensilage, with low risk. Take samples to the OSU Extension Office for analysis.

EXCAVATORS: Our excavation equipment has been busy digging out springs, cleaning out ponds, and demolishing dilapidated structures. Our track-hoes are amazing machines, capable of almost any job requirement, operating quickly and efficiently. We have experienced operators capable of completing your job to your satisfaction. Call us today for price and equipment availability.

GAP ZAPPER: We are now your local dealer for the GAP ZAPPER, an electronic cattle guard, which brings the newest technology to animal containment, while allowing vehicular traffic to pass through. Economically feasible; Portable; Easy Installation; Durable; Low Maintenance. Check it out at www.thegapzapper.com or come by the office and contact Chase or Michael for further information.

DOG DAYS: Dip your pets this month for fleas and ticks. Apply Turf Ranger and Sulphur to your lawn to control the pests that pester your pets. Spray for other crawling insects around your premises. And then....come by and get the highest quality dog and cat food, at the best price in town! *Your dogs and cats will love you more if you buy their pet food here!!!*

FARMERS OIL CO.: Was born in 1997. To show our appreciation for your continued fuel business, **EVERY 1997th UNLEADED PURCHASE TRANSACTION** Farmers Oil Co. makes, will be **FREE** !!! Stop by Farmers Oil Co. frequently and *fill your tank on every purchase* to take maximum advantage of this promotional offer, and be registered for FREE unleaded gasoline. (Prize winners will be notified). Offer good through December 31st, *and maybe longer*. **THANK YOU VERY MUCH** for your fuel business!

AG FACT: When Farmer's Oil was born in 1998, Unleaded Gasoline sold for \$.989/gal. Farm Diesel was priced at \$.629/gal.

AG FACT: The world has used 1 Trillion barrels of oil throughout history. We have 2 Trillion barrels of proven reserves in the world. We also have 4-5 Trillion "*resources*" through oil sands, and 2-3 Trillion "*resources*" through shale. Basically, we aren't running out anytime soon. ("*resources*" are known to exist, but not currently economically feasible to recover).

FARMERS OIL CO. LAST BLAST: Stop by Farmers Oil Co. On **Tuesday, August 15 from 1pm-3pm** for a slice of **FREE- ICE COLD WATERMELON**, or a cup of **HOMEMADE ICE CREAM**, served while we fill up your tank for you, check your oil, and clean your windshield. Cool off before summer is over, and before school starts, bring your kids!

OUR STAFF: Graduating OSU, Kindra and Chase have joined our management team this summer, along with Brent, Mike and Will. We welcome them to our team, and hope that you will call on them at any time, for any reason. We are ALL here to serve you!

EMERGENCY & AFTER HOURS:

Mike Cassidy	335-1100	Manuel Chapa.....	305-0562
Brent Cassidy ...	335-1101	Ronnie Johnson...	305-1078
Will Cassidy.....	335-1102	Kenny Holmes....	305-1371
Chase Cassidy....	335-1105	Kindra Woodall...	305-5179

As of August 8th, 2006

Cash Wheat Price.....	\$ 4.54/bu.
Cash Corn Price.....	3.03/bu.
Cash Milo Price.....	4.75/cwt.
Unleaded Gasoline.....	\$ 2.999/gal.
Super Unleaded Gasoline.....	3.059/gal.
Premium Unleaded Gasoline.....	3.109/gal.
Road Diesel (Taxed).....	3.109/gal.
Farm Diesel (No-Tax).....	3.009/gal.

Thank you for your business!

