

# NEWS BULLETIN

05 MARCH 2010

445 N Canal Rd, Lansing, MI 48917

*Edited by: Rachel Anne King*

## Market Recap

*Robert Geers*

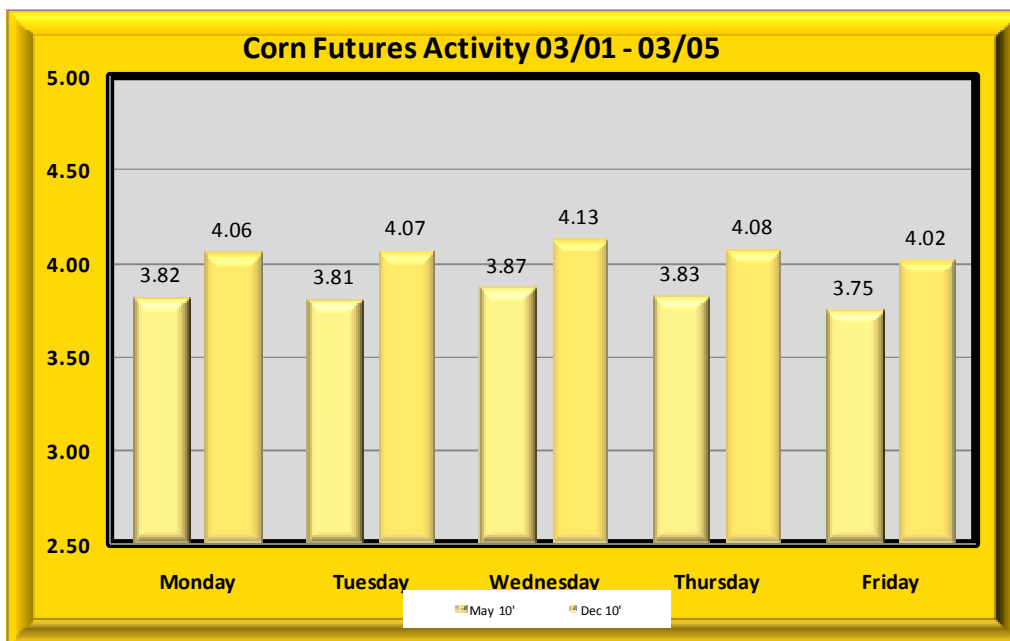
The tone of the commodity markets remains stale on a lack of fundamental news as the grains focus their attention to the outside markets and economic news. The value of the dollar will have strong influence on commodity prices as we move forward into spring and for the time being the dollar looks to remain supported as investors put money in the dollar until the EU determines how best to handle the financial problems of Greece, Spain and Ireland. For the week corn closed .14c lower, soybeans .18c lower and wheat .26c lower.

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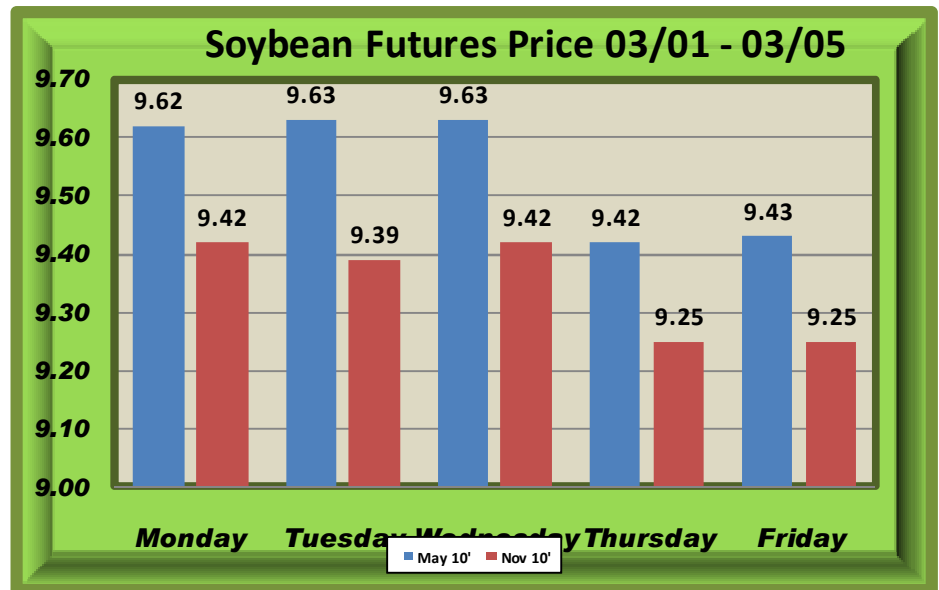
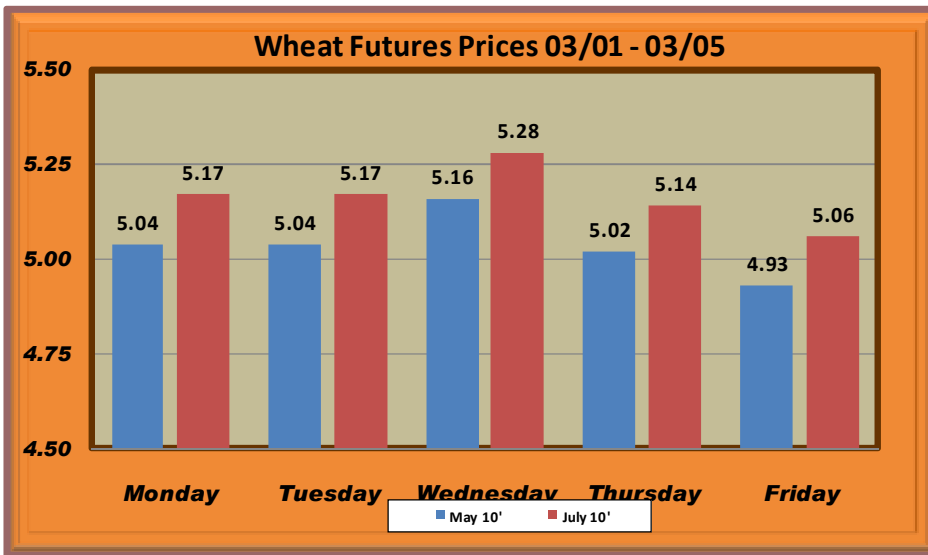
Soybeans appear to be leading downside market pressure as South American harvest moves forward. Soybeans found some support last week over harvesting concerns in South America as supplies began to tighten but more favorable weather late this week into next should move harvest along and is removing this support. The struggle South America will face going forward as weather clears is how to logistically handle a record size crop as the infrastructure in Brazil is poor for handling big crops. Informa updated their Argentina production numbers this week and increased soybean production by 1 MT to 55 MT and increased corn production by 2.8 MT to 21 MT.

Unemployment numbers released this morning were a little supportive as job losses for February were 36,000 jobs, which was less than the expected 50,000 jobs. The unemployment rate remained unchanged at 9.7%. This news was supportive to the stock market with the DOW reaching highs from early January. Thank for reading, enjoy your weekend.



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## MAC NEWS BULLETIN



### Current Facility Prices

	Corn				Soybeans				Red Wheat		White Wheat	
	Current		O/N '10		Current		O/N '10		Current		Current	
	Cash	Basis	Cash	Basis	Cash	Basis	Cash	Basis	Cash	Basis	Cash	Basis
<b>Breckenridge</b>	3.25	-0.50	3.42	-0.60	8.93	-0.50	8.50	-0.75	3.93	-1.00	4.83	-0.10
<b>Blissfield</b>	3.34	-0.41	3.62	-0.41	9.13	-0.30	8.80	-0.45	4.23	-0.70	N/A	N/A
<b>Brown City</b>	3.28	-0.47	3.42	-0.60	8.93	-0.50	8.40	-0.85	3.93	-0.90	N/A	N/A
<b>Jasper</b>	3.29	-0.46	3.57	-0.45	9.08	-0.35	8.75	-0.50	4.18	-0.75	N/A	N/A
<b>Marlette</b>	3.28	-0.47	3.42	-0.60	8.93	-0.50	8.45	-0.80	3.93	-1.00	4.83	-0.10
<b>Middleton</b>	3.25	-0.50	3.42	-0.60	8.93	-0.50	8.50	-0.75	3.93	-1.00	4.83	-0.10
<b>Newaygo</b>	3.28	-0.47	3.42	-0.60	9.03	-0.40	8.50	-0.75	3.98	-0.95	4.83	-0.10

## Crop Insurance

Rachel Anne King

*Farming is risky (in case you didn't know)!* Farmers risk input costs, production costs, yield performance, and market volatility just to start the list. Thankfully, there are several tools available which offer some relief from the wrinkle-causing risks of agriculture.

Buying a crop insurance policy is a risk management option available to farmers. The deadline to purchase this year's protection is fast approaching with the deadline under two weeks away. Producers should carefully consider how a policy will work in conjunction with their other risk management strategies to insure the best possible outcome each crop year. Crop insurance agents and other agri-business specialists can assist farmers in developing a good management plan. Crop insurance can be used in many ways to benefit a farming operation. Each plan has their perks and drawbacks, but with the help of a representative there is certainly a plan that will fulfill the specific needs of a farm that is in line with the operations budget.

The typical policies made available to producers have protection levels determined by projected acreage, revenue, or both. Below is a list taken from Spartan Insurance Agency's website of a few typical insurance plans and their benefits..

**CRC and RA with HRO** (crop revenue coverage, revenue assurance, )guarantees revenue protection.

**MPCI** (multi-peril crop insurance) is coverage that guarantees production and quality per section of ground.

**GRP** (group risk plan) is available only on corn, soybeans and wheat. This policy pays only when the yield of the entire county drops below the expected county yield.

**GRIP** (group risk income protection) is available only on corn, soybeans and wheat. This policy pays only when the NASS-calculated county revenue falls below the county trigger revenue.

There is an additional incentive to producers to insure their crops since the 2008 Farm Bill. The Farm Act established a permanent program called Supplemental Agricultural Disaster Assistance that includes an insurance program for producers known as SURE.

The program is directly linked to crop insurance. To be eligible for SURE payments, a producer is required to obtain crop insurance. The SURE guarantee is based on a producer's level of insurance coverage: the higher the insurance level, the greater the SURE guarantee, up to 90 percent of the producer's expected revenue. Eligible producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50 percent may receive SURE payments for crop production or crop quality losses. Losses are measured in terms of a shortfall in whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss. The SURE payment is equal to 60 percent of the (positive) difference between the SURE guarantee and total farm revenue

Any producer deciding to carry a crop insurance plan has several obligations to fulfill. The first of those is reporting acreage accurately to their insurance representative. Any person not following this guideline properly runs the risk of insurance fraud. There are policy deadlines a farmer is obligated to meet. These include sales closing dates, final planting dates, acreage reporting date, and the filing notice of crop damage date. Contact your representative today if you are not prepared for the fast-approaching deadline!

*Base prices are set...\$3.99 bu for corn and \$9.23 bu for soybeans. The deadline to sign up is March 15, 2010!*



## Phil's Update

Contact: Phil Tuggle

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Wheat top dress season is here, if you have not already, get with your agronomy supplier and decide your nitrogen application strategy. If you would like to split apply your nitrogen now is the time to make that decision, once you have put 90-100 pounds of Nitrogen out there it is too late. Also remember frost seeding clover is not only a nitrogen supplier for the next crop, it is a good soil tilth builder.

Speaking of wheat, have you noticed 2011 July wheat futures are above \$6.00, these are very good historical prices. MAC can contract both a futures price (HTA) or a cash price for 2011 crop wheat. Call you merchant today!

Remember frost laws are on in most of Michigan, plan ahead for grain, feed, sand, etc. deliveries to the farm. Also remember there is a speed requirement on Class B and secondary road while frost laws are on as well as weight restrictions.

Spring is almost here!

## Ethanol Update

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### Ten Take Aways from the MAC Outlook Conference

1. Protect your revenue with not only making forward sales but by also buying inputs early and managing the margin between the two.
2. Surround yourself with good people, look for people with old fashion work ethic that are technology sound.
3. Be selective in the new opportunities you take on, you will have more opportunities to grow your business in the next 5 years than you have seen in the last 20.
4. Warren Buffet statement talking about being financially sound- "When the tide goes out, you will find out who is naked".
5. Special interest groups will have more impact on your business in the next few years. Get involved; build a relationship with you legislators, local, state and federal.
6. China will flex it's muscel in the near future, we are in the 6<sup>th</sup> year of a super cycle that usually only last 2 years. The years following are tough, are you ready? Do you have cash to weather a storm or take advantage of an opportunity?
7. Watch China's annual growth, they have been growing at a rate of 12%. 9 % would be better, if they go to 3% growth it will turn world upside down.
8. Interest rates- should stay reasonable this year but will not stay this low, get intermediate and long term debt on fixed rate.
9. Fuel prices- 30% chance oil goes over \$100.00, 50% chance it stay between \$50-80.00, 20% it goes below \$50.00
10. Anyone that is left in Agriculture is efficient, but are you effective?



## Facility News

### GENERAL SPRING WEIGHT LOAD RESTRICTION BULLETIN #1

**Effective 8:00 AM, Monday, March 8, 2010** weight restrictions will be imposed and enforced on all state trunkline highways within the State of Michigan **from the southern Michigan border, north to and including the Mackinac Bridge**. State trunkline highways typically carry M, I, or US designations.

In the restricted area the following will apply:

-On routes designated as "All Season Routes" (green and gold on MDOT Truck Operator's Map), there will be no reduction in legal axle weights.

-On routes designated as "Seasonal" (solid or dashed red on the MDOT Truck Operator's Map), there will be weight reduction of 25% for rigid pavements and 35% for flexible pavements.

Extended permits will be valid for **oversize only** in the weight restricted area.

**Single trip permits will not be issued for overweight loads or loads exceeding 14 feet in width in the weight restricted areas.**

Weight restriction information and updates may be obtained by calling **1-800-787-8960**. For companies located in Canada or New Jersey, information may be obtained by calling: **517-373-6256**.

Detailed weight restriction information may be obtained by linking to [www.michigan.gov/truckers](http://www.michigan.gov/truckers) or by calling: 517-373-2121. Refer to the MDOT Truck Operator Map for route designations.

#### MAC MARLETTE/BROWN CITY 800-647-4628

This week in the Thumb, we enjoyed watching the weather improve and dreaded the frost laws. Our team has managed to serve our producers that do not reside on Class A roads. **As the weather warms up, please get outside and check your bins. Feel free to call us with grain quality questions or [set up an appointment](#) to bring in a representative sample to be looked at.** In the markets, we saw a weeklong of mixed trade going in to the report. Please call us Wed. for an update on that WASDE report.

#### MAC NEWAYGO 800-878-5800

Adam was enjoying the sun in Mexico while the crew was working hard moving grain this week! :)

#### MAC BRECKENRIDGE 800-472-4629

Picking up ground pile number 2. Again no major surprises. March 10<sup>th</sup> is the USDA report that could hold some surprises for the market. This is the report where they may revise some of the 2009 production numbers. This information should be watched closely to determine what your pricing opportunities might be for your remaining 2009 crops. Also look at your 2010 prices might hold some opportunities there as well. Spring is fast approaching if you need to fine tune both your agronomy and dry beans requirements please give us a call.

#### MAC BLISSFIELD/JASPER 800-344-7246

Signs of the seasons changing are becoming more visible by the day. Seems nice to look out the window today and have the sun shine back at you. The crews at Blissfield continue to pick up the corn pile and ship it to Global. While the Crew at Jasper is readying their corn pile pick up system for the big move they hope to start within the next week. The merchants kept themselves busy this week attending MAC's annual outlook conference and other producer Seed Meetings, along with printing the many reports being requested for the new FSA Programs. Be sure to Contact your merchant and have orders in place before the weather changes and you head to the field.

#### MAC MIDDLETON 800-344-7263

Middleton is welcoming the sunshine, March came in like a lamb. We started bringing in our last outside pile. Some fertilizer is moving and the gang is getting the spring equipment ready for the planting season. We would like to thank everyone that attended our breakfast update meeting and the Outlook Conference. We have been updating the field maps for the 2010 season and would like to stay ahead of the rush for them, so give us a call to set up a time to plan ahead. Remember to spring ahead on March 14<sup>th</sup> to daylight savings time. Here's wishing everyone a safe and Happy weekend.

*What is the only food that doesn't spoil?*

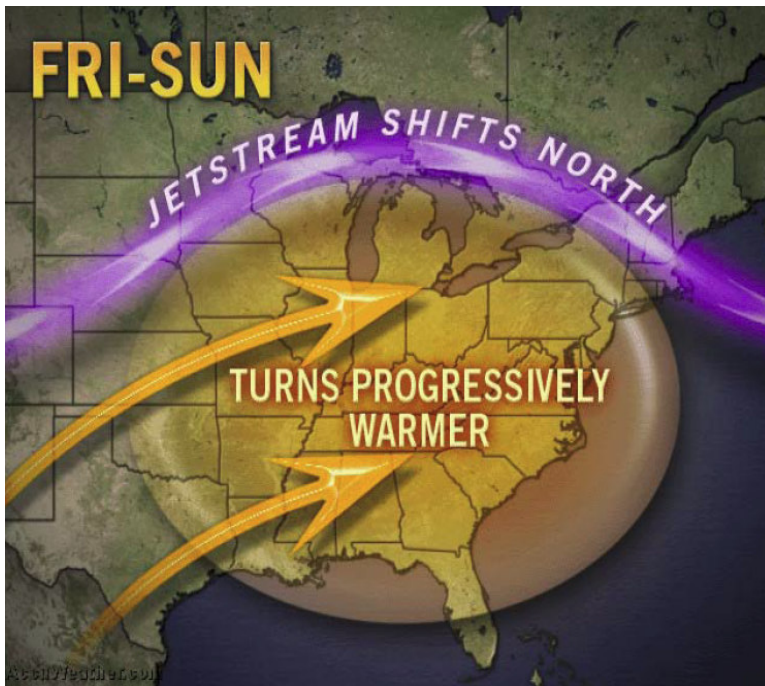
# Calendar of Important Events

## January

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31	1	2	3	4 <i>Export sales re- port</i>	5	6
7	8	9 <i>Weather/ Crop Summary</i>	10 <i>WASDE Report</i>	11 <i>Export sales re- port</i>	12	13
14	15	16 <i>Weather/ Crop Summary</i>	17 <b>St. Patrick's Day</b>	18 <i>Export sales re- port</i>	19	20
21	22	23 <i>Weather/ Crop Summary</i>	24	25 <i>Export sales re- port</i>	26	27
28	29	30	31 <i>Planting inten- tions report</i>	1	2	3

### UPCOMING EVENTS IN FEBRUARY

- March 17th—St. Patrick's Day



Our snowpack continues to melt under the bright sunshine of the past 5 days and more is in store for most of the weekend. Any talk of rain on Sunday is fading fast as the low pressure system is being forced more to the south than the models had a few days ago. So more seasonal weather will continue with highs in the upper 30's to mid 40's into next week. But then the models are forecasting a much more active pattern for the later part of next week and the following week. Question is will it be a major snow storm or thunderstorms or rain. Will look at this change on Monday until then enjoy this mild March weekend.

Starting in a couple of weeks this part of the weather page will be Audio vs typed. This will allow me to talk more about the what if's and more details about our current and forecasted weather and also allow more space for other weather info mainly our Agri-weather with an emphasis on our current growing season.

**MAC Weatherman—Mark Sterling**

**Answer: Honey**