

U.S. FARM REPORT

The nation's longest running agricultural news program

Show #1748

Weekend of February 10, 2007

SUPPLY/DEMAND REPORT : FRIDAY MORNING THE USDA RELEASED UPDATED ESTIMATES OF SUPPLY AND DEMAND FOR MAJOR COMMODITIES AND MARKETS REACTED WITH INDIFFERENCE. FINAL CARRY-OUT FIGURES FOR CORN WERE LEFT UNCHANGED – A NUMBER MANY MARKET WATCHERS WERE EYEING CLOSELY? END OF YEAR INVENTORY FOR SOYBEANS WAS RAISED A SLIM 20M BUSHEL, AND WHEAT WAS LEFT UNCHANGED FROM THE PREVIOUS ESTIMATE. SLOW COTTON EXPORTS RAISED THE COTTON CARRYOUT BY SLIGHTLY OVER 7M BALES. OUR ROUND-TABLE WILL OFF ANALYSIS OF THE REPORT IN JUST A COUPLE OF MINUTES.

ETHANOL RECORD : THE US ETHANOL INDUSTRY CONTINUES TO EXPAND PRODUCTION AT A RECORD PACE. ACCORDING TO NEW NUMBERS FROM THE RENEWABLE FUELS ASSOCIATION, THE INDUSTRY KNOCKED OUT 343 THOUSAND BARRELS OF ETHANOL A DAY IN NOVEMBER, UP 68 THOUSAND FROM NOVEMBER OF 2005. AT THE SAME TIME, RFA REPORTS DEMANDS FOR ETHANOL HIT 414 THOUSAND BARRELS A DAY IN NOVEMBER, UP FROM 117 THOUSAND THE YEAR BEFORE. THERE ARE CURRENTLY 112 ETHANOL BIO-REFINERIES NATIONWIDE CAPABLE OF PRODUCING SOME 5 ½ BILLION GALLONS ANNUALLY.

NCBA - ETHANOL : MAKING ETHANOL FROM PRODUCTS OTHER THAN CORN IS NOW PART OF THE NATIONAL CATTLEMEN'S BEEF ASSOCIATION STANCE ON RENEWABLE FUEL. ETHANOL PRODUCTION DRIVING UP THE PRICE OF CORN WAS THE HOT TOPIC AT THE ANNUAL NATIONAL CATTLEMEN'S BEEF ASSOCIATION CONVENTION HELD IN NASHVILLE LAST WEEK. AFTER MANY SEMINARS AND DISCUSSIONS HERE, A RENEWABLE FUELS POLICY WAS VOTED ON CALLING FOR THE NCBA TO LOBBY FOR THE END OF ETHANOL TAX BREAKS AND THE ENCOURAGE AGGRESSIVE GOVERNMENT DEVELOPMENT OF CELLULOSIC ETHANOL. ECONOMIST BARRY FLINCHBAUGH SAYS WHILE CELLULOSIC ETHANOL IS THE FUTURE OF BIOFUE, CATTLEMEN NEED TO REALIZE THAT CORN-BASED ETHANOL WILL LIKELY AFFECT THEIR OPERATIONS FOR YEARS TO COME.

HERD RETIREMENT : HIGHER INPUT COSTS ARE BEHIND A FOURTH ROUND OF HERD RETIREMENT ANNOUNCED THIS WEEK BY THE NATIONAL MILK PRODUCERS FEDERATION. AS PART OF ITS 'COOPERATIVES WORKING TOGETHER' PROGRAM, THE FEDERATION SAYS THIS LATEST ROUND OF RETIREMENTS WILL INVOLVE COWS ONLY – NOT HEIFERS. THE ANNOUNCEMENT COMES DESPITE THE FACT THAT CLASS-THREE FUTURES PRICES ARE CURRENTLY AT THE SECOND HIGHEST LEVEL IN HISTORY. THE CWT SAYS HIGHER PRICES FOR FEED AND FUEL FORCED THEM TO MAKE THIS MOVE. AT THIS TIME, NO TARGET HAS BEEN SET FOR THE NUMBER OF COWS OR POUNDS OF MILK TO BE REMOVED IN THIS ROUND OF RETIREMENTS. BID WILL BE ACCEPTED THROUGH SATURDAY MARCH 3 RD.

ROUND-TABLE : AGRI-BUSINESS DIRECTOR AL PELL SITS DOWN WITH RICHARD BROCK OF BROCK ASSOCIATES AND BRAD HARDING, FARM DIRECTOR, WMBD-TV.

JOHN'S WORLD : WINTERTIME IN FARM COUNTRY IS A SEASON TO GIVE THANKS THAT YOU DON'T HAVE LIVESTOCK AND YOU DO HAVE SATELLITE TV CHANNELS. BUT IT IS ALSO A TIME WHEN MANY OF US PARTICIPATE IN THAT WONDERFUL COMMUNITY RECREATION – THE FARM AUCTION. WHILE USED MACHINERY PRICES HAVE BEEN HOLDING UP PRETTY WELL THE LAST FEW YEARS, IN RECENT MONTHS THEY HAVE SKYROCKETED. A FARMER CLOSE TO ME, WHO KEPT HIS FARM MACHINES IMMACULATE, SOLD OUT LAST MONTH AND EXCEEDED HIS WILDEST HOPES. THIS IS, AS USUAL, GOOD NEWS AND BAD NEWS, DEPENDING ON WHERE YOU ARE IN YOUR CAREER. GOOD FARM SALES CAN TEMPT GEEZERS LIKE ME TO THINK ABOUT RETIRING – WHICH MIGHT OPEN UP SOME HOLES FOR YOUNGER FARMERS TRYING TO GET GOING. BUT THOSE WHO DEPEND ON USED MACHINERY BARGAINS TO LOWER THEIR FIXED COSTS ARE STRUGGLING TO ADJUST TO THESE NEW ECONOMICS. HIGHER PRICES INDICATE AN OPTIMISM

ABOUT THE FUTURE OF FARMING. MACHINERY AUCTIONS ARE CLASSIC EXAMPLES OF MARKETS AT THEIR BEST. THEY DO NOT DISCRIMINATE, THEY DO NOT COERCE AND THEY DO NOT LIE. THE PRICE IS, BY DEFINITION, WHAT A MACHINE WAS WORTH AT THAT MOMENT. THEY ARE ALSO GREAT ENTERTAINMENT. I HIGHLY RECOMMEND ATTENDING ONE AS A REFRESHER COURSE IN FREE ENTERPRISE. JUST BE CAREFUL YOU DON'T BECOME PART OF THE SHOW. AS ALWAYS, WE'D LIKE TO KNOW WHAT YOU THINK ABOUT THIS OR ANY OTHER ISSUE. SEND YOUR COMMENTS VIA EMAIL TO INFO@USFARMREPORT.COM, OR CALL TOLL FREE 1.800.792.4329.

BUSH BUDGET : THE BUSH ADMINISTRATION RELEASES ITS 2008 BUDGET PLAN, AND AS ALWAYS, AGRICULTURE IS A BIG PART OF THE EQUATION. IN ALL, TOTAL USDA EXPENDITURES ARE ESTIMATED AT APPROXIMATELY \$89B FOR THE FISCAL YEAR BEGINNING OCTOBER 1 ST. ROUGHLY 75% - OR \$67B - IS ALLOCATED FOR MANDATORY PROGRAMS, INCLUDING NUTRITION ASSISTANCE, COMMODITY, EXPORT PROMOTION AND CONSERVATION PROGRAMS. THE REMAINING 25% - OR \$22B - WOULD GO TOWARD DISCRETIONARY PROGRAMS, INCLUDING THE WIC PROGRAM AND MANAGEMENT OF THE NATIONAL FOREST SYSTEM.

CANADA BSE : WE HEAD NORTH OF THE BORDER NOW WHERE ANOTHER CASE OF BSE HAS BEEN CONFIRMED. ACCORDING TO CANADIAN AG OFFICIALS, A 9 TH CASE OF BSE HAS BEEN CONFIRMED. THIS TIME IN A 'MATURE' BULL FROM AN UNIDENTIFIED FARM IN ALBERTA . ACCORDING TO THE CANADIAN FOOD INSPECTION AGENCY, THE INFECTED ANIMAL PROBABLY ATE CONTAMINATED FOOD IN THE FIRST YEAR OF ITS LIFE. THE AGENCY DOES SAY NO PART OF THE ANIMAL ENTERED THE HUMAN FOOD OR ANIMAL FEED CHAIN.

CLONED LABELS? : WHEN THE GOVERNMENT APPROVES FOOD FROM CLONED ANIMALS - EXPECTED TO TAKE PLACE IN THE NEXT YEAR - THE FDA DOES NOT PLAN TO USE SPECIAL LABELS. HOWEVER, ACCORDING TO THE ORGANIC TRADE ASSOCIATION, SHOPPERS WON'T BE COMPLETELY IN THE DARK. ONE WAY TO TELL IF THE MEAT IS CLONED WILL BE TO LOOK FOR THE GREEN USDA ORGANIC SEAL. WHILE MANY ARE BEGINNING TO CHOOSE ORGANIC TO AVOID PESTICIDES OR ANTIBIOTICS, THE ORGANIC LABEL ALSO MEANS 'CLONE FREE', AS ORGANIC PRODUCTS WILL NOT COME FROM CLONES ANIMALS. GOVERNMENT SCIENTISTS HAVE FOUND NO DIFFERENCE BETWEEN CLONES AND THEIR CONVENTIONAL COUNTERPARTS.

CA - CHEESE PRODUCTION : THE NATION'S LEADING DAIRY STATE SETS NEW PRODUCTION RECORDS FOR BOTH MILK AND CHEESE. ACCORDING TO A REPORT OUT THIS WEEK FROM THE CALIFORNIA MILK ADVISORY BOARD, MILK PRODUCTION IN THE GOLDEN STATE TOTALED NEARLY 39B POUNDS LAST YEAR - UP NEARLY 3 ½% FROM 2005. IN ADDITION, THE STATE CHURNED OUT 2.2B POUNDS OF CHEESE - UP 3% FROM 05. IN ALL, CALIFORNIA IS HOME TO SEVERAL OF THE WORLD'S LARGEST CHEESE PLANTS AND PRODUCES NEARLY A FOURTH OF ALL THE CHEESE MADE IN THE US .

SUMMER GRILLING : A NEW REPORT INDICATES THE SUMMER OF 2006 PROVED TO BE A BUSY ONE FOR BACKYARD CHEFS. THE BEEF CHECKOFF HAS RELEASED FIGURES SHOWING SALES WERE UP BY 3% LAST SUMMER WITH GRILLING CUTS ACCOUNTING FOR 67% OF TOTAL BEEF SALES BETWEEN JUNE AND SEPTEMBER. IN ALL, THE CHECKOFF ALLOCATED MORE THAN \$2M ON PROMOTIONAL CAMPAIGNS TO SUPPORT THE 06 GRILLING SEASON.

SPIRIT OF THE HEARTLAND - MOM'S APPLE PIES : 'SPIRIT OF THE HEARTLAND' THIS WEEK FEATURES THE STORY OF A WOMAN KNOWN FAR AND WIDE FOR HER PIE-MAKING ABILITIES. IN THIS REPORT FROM THE CALIFORNIA FARM BUREAU, JIM MORRIS HEADS TO A SMALL TOWN ABOUT FIFTY MILES NORTH OF SAN FRANCISCO THAT'S HOME TO SOME OF THE TASTIEST PIES YOU'LL FIND ANYWHERE. FOR MORE INFORMATION, HEAD ONLINE TO WWW.MOMSAPPLEPIEUSA.COM.

CA - DEEP FREEZE : THE DAMAGE IS DONE - AND NOW PRODUCERS IN THE GOLDEN STATE HIT BY A DEVASTATING FREEZE CAN APPLY FOR FEDERAL DISASTER RELIEF. EARLIER THIS WEEK THE AG DEPARTMENT ISSUED A DISASTER DECLARATION FOR 18 COUNTIES, WHICH MEANS FARMERS AND RANCHERS IN THOSE AREAS ARE ELIGIBLE FOR LOW-INTEREST EMERGENCY LOANS. ACCORDING TO THE CALIFORNIA FARM BUREAU, THE MID-JANUARY FREEZE DID MORE THAN \$1.2B WORTH OF CROP DAMAGE, WITH CITRUS GETTING HIT PARTICULARLY HARD.

CATTLE AID : CATTLEMEN AND RANCHERS FROM COLORADO TO TEXAS ARE STILL RECOVERING FROM THE WINTER WEATHER THAT HIT THE HEART OF CATTLE COUNTRY LAST

MONTH. AS ERIN WHITE REPORTS, THE NATIONAL CATTLEMEN'S FOUNDATION PRESIDENT SAYS HELP IS NEEDED TO GET MANY RANCHERS BACK ON THEIR FEET.

TRACTOR TALES : TRACTOR TALES THIS WEEK FEATURES AN OLD ALLIS CHALMERS MACHINE CAREFULLY RESTORED BY AN INDIANA COLLECTOR.

COUNTRY CHURCH SALUTE : OUR COUNTRY CHURCH SALUTE THIS WEEK SPOTLIGHTS THE FIRST PRESBYTERIAN CHURCH IN LINCOLN ILLINOIS WHO ARE CELEBRATING 150 YEARS OF MINISTRY THIS WEEKEND. CONGRATULATIONS AND THANKS TO DIANE OSBORNE FOR SENDING US THE INFORMATION. AS ALWAYS, WE'D LIKE TO LEARN MORE ABOUT YOUR HOME CHURCH AS WELL SALUTES CAN BE SENT TO PO BOX 1062, SOUTH BEND, IN, 46624-0062, OR EMAIL US: INFO@USFARMREPORT.COM.

VIEWER MAIL : TIME NOW FOR OUR WEEKLY PEEK INSIDE THE OLD FARM REPORT MAILBAG FULL OF QUESTIONS AND COMMENTS FROM OUR VIEWERS. PLEASE LET US KNOW WHAT YOU THINK. FEEL FREE TO CONTACT US DIRECTLY SEND EMAILS TO INFO@USFARMREPORT.COM OR CALL US TOLL FREE AT 800.792.4329.

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Weekend of February 17, 2007

DEERE PROFITS : YOU CAN CHALK THIS UP AS A GREAT WEEK FOR JOHN DEERE. THE EQUIPMENT GIANT REPORTED HIGHER THAN EXPECTED QUARTERLY EARNINGS AND RAISED ITS FISCAL YEAR OUTLOOK. THE RESULT – SHARES CLIMBED MORE THAN 9%, CLOSING JUST UNDER \$112 IN WEDNESDAY'S TRADE. FOR ITS FIRST FISCAL QUARTER ENDING JANUARY 31 ST, DEERE SAYS PROFITS REACHED NEARLY \$239M, BASED ON SALES TOTALING MORE THAN \$4B, A 5% BUMP FROM THE SAME PERIOD A YEAR AGO. ANALYSTS SAY DEERE AND OTHER EQUIPMENT MANUFACTURERS, INCLUDING AGCO AND CNH, ARE BENEFITING FROM CONTINUED INVESTOR INTEREST IN THE BOOMING ETHANOL MARKET.

FARM BILL UPDATE : DEBATE OVER A NEW FARM BILL CONTINUED THIS WEEK. IN WASHINGTON , AG SECRETARY MIKE JOHANNIS WAS BACK ON CAPITOL HILL, THIS TIME DEFENDING THE ADMINISTRATION'S FARM BILL PROPOSALS BEFORE THE HOUSE AG COMMITTEE. ALSO THIS WEEK, THE AMERICAN SOYBEAN ASSOCIATION RELEASES A LIST OF PROPOSALS IT HOPES WILL BE INCLUDED IN THE NEW LEGISLATION. THE ASA IS CALLING FOR A PACKAGE THAT WILL SUPPORT GROWTH OF THE BIODIESEL INDUSTRY, INCLUDED EFFECTIVE CONSERVATION PRACTICES FOR WORKING LANDS, AND EMPHASIZE RESEARCH AND PROMOTION.

CO – RENEWABLE ENERGY : COLORADO GOVERNOR BILL RITTER SAYS HE WANTS HIS STATE TO BE A NATIONAL LEADER IN ALTERNATIVE ENERGY, AND LEGISLATION NOW UP FOR DEBATE WOULD HELP BUILD THAT CASE. ACCORDING TO A REPORT IN THE DENVER POST, LEGISLATION THAT WOULD DOUBLE THE STATE'S MANDATORY RENEWABLE ENERGY STANDARD TO 20% BY 2020 SAILED THROUGH A HOUSE COMMITTEE THIS WEEK. UNDER THE PLAN, MOST OF THE RENEWABLE ENERGY WOULD COME FROM WIND FARMS, WITH A SMALLER PORTION PRODUCED BY SOLAR-GENERATING STATIONS.

ROUND-TABLE : AGRI-BUSINESS DIRECTOR AL PELL SITS DOWN WITH JIM BOWER OF BOWER TRADING, BOB UTTERBACK – A FARM JOURNAL ECONOMIST, AND MAC STONE WITH THE KENTUCKY DEPARTMENT OF AGRICULTURE.

JOHN'S WORLD : IN TIME OF RAPID CHANGE, THERE IS AN OPPORTUNITY FOR PEOPLE OF COURAGE OR PERHAPS UNWARRANTED OPTIMISM TO TRY NEW APPROACHES AND RISK NEW STRATEGIES. AND SOME FEW OF THEM WILL CHANGE OUR WORLD IN THE PROCESS. AGRICULTURE IS, I BELIEVE, ENTERING ONE OF THOSE TIMES. ALL ACROSS AMERICA , ENTREPRENEURS IN OUR INDUSTRY ARE PLACING BETS ON THEIR IDEAS. THE RISKS ARE ENORMOUS, BUT THE REWARDS WILL BE HUGE AS WELL. PIONEERS IN EVERY INDUSTRY DO MORE THAN PROPEL THEIR OWN CAREER. IN VERY PUBLIC PROFESSIONS LIKE FARMING, THE NEW IDEAS AND SUCCESSES OF AN INDIVIDUAL CAN BE ADOPTED BY ALL VIRTUALLY OVERNIGHT. I HAVE FARMED NEXT TO PEOPLE LIKE THIS, AND HAVE CHEERFULLY PROFITED FROM THEIR SUCCESSES AND FAILURES. MY GUESS IS WE WILL SOON BE HEARING STORIES OF FABULOUS SUCCESS AS A FEW OF THESE RISKY VENTURES PAY OFF. THERE WILL ALSO BE SOME PROFESSIONAL JEALOUSY AND PERSONAL ENVY AS WELL. BUT I TRY TO KEEP IN MIND THESE TRAILBLAZERS MAKE ME A BETTER FARMER. WHEN THEY WIN BIG, I BENEFIT BY COPYING A GREAT IDEA. WHEN THEY LOSE BIG, I BENEFIT AS WELL, BY LEARNING WHAT NOT TO DO. BUT THEY ARE ENTITLED TO THE REWARDS OF THEIR HARD WORK AND RISK. SO TO YOU INNOVATORS OUT THERE, GODSPEED. YOU ARE RAISING THE PERFORMANCE OF ALL AGRICULTURE. AS ALWAYS, WE'D LIKE TO KNOW WHAT YOU THINK ABOUT THIS OR ANY OTHER ISSUE. SEND YOUR COMMENTS VIA EMAIL TO INFO@USFARMREPORT.COM, OR CALL TOLL FREE 1.800.792.4329.

FARM SHOW : IN THE MIDST OF A WILD WEEK OF WEATHER ACROSS MUCH OF THE NATION, THOUSANDS GATHER FOR TWO OF THE BIGGEST AG EVENTS OF THE YEAR. IN LOUISVILLE , THE 2007 NATIONAL FARM MACHINERY SHOW WILL WRAP UP THIS WEEKEND – A FOUR DAY EVENT THAT ATTRACTS MORE THAN 300 THOUSAND VISITORS AND SOME 800 EXHIBITORS SHOWING OFF THE LATEST AND GREATEST IN EQUIPMENT. AND IN CALIFORNIA , THE 40 TH ANNUAL WORLD AG EXPO WRAPPED UP ON THURSDAY, A TRULY INTERNATIONAL VENUE THAT ATTRACTS MORE THAN 100 THOUSAND VISITORS FROM 66 COUNTRIES. AMONG THOSE TO MAKE THE TRIP, GOP PRESIDENTIAL HOPEFUL RUDY GIULIANI WHO HELPED KICK OFF THE SHOW TUESDAY MORNING.

CA – LEAFY GREENS : ALSO IN CALIFORNIA THIS WEEK, A NEW 13 MEMBER PANEL HAS BEEN APPOINTED TO OVERSEE A FOOD SAFETY PROGRAM FOR LEAFY GREEN CROPS. THE BOARD WILL BE IN CHARGE OF AN INSPECTION PROGRAM THAT WILL VERIFY HANDLERS OF LETTUCE, SPINACH AND OTHER CROPS ARE COMPLYING WITH UNIFORM FOOD SAFETY STANDARDS. THIS ACTION FOLLOWS A DEADLY E. COLI OUTBREAK LAST FALL THAT WAS LINKED BACK TO FIELDS IN CALIFORNIA 'S CENTRAL VALLEY .

LOW-LIN SOYBEANS : WHILE THE NUMBER OF SOYBEAN ACRES MAY FALL THIS YEAR, SEED COMPANIES ARE HOPING DEMAND FOR HEALTHIER OILS WILL SPUR INTEREST IN PLANTINGS OF LOW LINOLENIC VARIETIES. ACCORDING TO INDUSTRY EXPECTATIONS, ANYWHERE FROM 1.5 TO 2 MILLION ACRES OF LOW LINOLENIC SOYBEANS WILL BE PLANTED THIS YEAR, A JUMP FROM THE 750 THOUSAND PLANTED LAST YEAR. WITH FOOD GIANTS TURNING AWAY FROM TRANS FATS, INCLUDING KFC AND MCDONALD'S, THE DEMAND FOR LOW LINOLENIC SOYBEAN OIL IS GROWING RAPIDLY. SOYBEAN OIL ACCOUNTS FOR NEARLY 80% OF THE VEGETABLE OIL CONSUMED IN THE US .

FOOD CHECKOUT : YOU MAY NOT KNOW IT, BUT THE AVERAGE AMERICAN HOME HAS ALREADY EARNED ENOUGH INCOME TO PAY THEIR FOOD BILL FOR THE ENTIRE YEAR. WITH THAT IN MIND, THE AMERICAN FARM BUREAU CELEBRATED 'FOOD CHECKOUT WEEK' LAST WEEK, PAYING TRIBUTE TO THOSE WHO CONTRIBUTE TO THE EFFICIENCY AND ABUNDANCE OF THE AMERICAN FOOD SUPPLY. STATISTICS SHOW US CONSUMERS SPEND LESS THAN 10% OF THEIR DISPOSABLE INCOME ON FOOD, THE LOWEST IN THE WORLD. IT'S A MESSAGE THOSE DIRECTLY INVOLVED IN THE PROCESS WANT TO EMPHASIZE.

SPIRIT OF THE HEARTLAND – VA – FARMERS MARKET : A COUPLE OF WEEKS BACK WE SHOWED YOU HOW THE RETURN OF THE CRESCENT CITY FARMERS MARKET HAS BEEN A SHOT IN THE ARM FOR THE ENTIRE CITY OF NEW ORLEANS . TODAY, WE HEAD EAST TO SEE HOW HOMEGROWN FOODS SOLD WITH A HOMETOWN TOUCH HOLD GREAT APPEAL IN THE OLD DOMINION STATE . NORM HYDE OF THE VIRGINIA FARM BUREAU TAKES US TO A POPULAR SHOPPING SPOT FOUND IN THE HEART OF DOWNTOWN ROANOKE .

WELDING WINNERS : WE WANT TO TAKE A MOMENT NOW AND RECOGNIZE THE WINNERS OF THE 'WELDING UNIVERSITY' CONTEST FROM FARM JOURNAL MAGAZINE. WORKING WITH MILLER ELECTRIC MANUFACTURING, THERE ARE THREE GRAND PRIZE WINNERS WHO WILL TRAVEL TO MILLER'S HEADQUARTERS IN WISCONSIN FOR SOME HANDS-ON TRAINING FROM THE EXPERTS. SELECTED FROM A POOL OF MORE THAN 4 THOUSAND ENTRIES, THE THREE WINNERS – ALL FARMERS – ARE STAN SMITH OF LEWISTON MINNESOTA , BRIAN HARLAN OF BUNKER HILL INDIANA , AND DENNIS BRABEC OF COLON NEBRASKA .

GENERATOR SAFETY : WINTER STORMS THAT BLASTED BIG PARTS OF FARM COUNTRY IN RECENT WEEKS KNOCKED OUT POWER TO THOUSANDS OF HOMES, HITTING RURAL AMERICA PARTICULARLY HARD. FOR MANY, GASOLINE-POWERED GENERATORS CAME IN REAL HANDY, BUT IF THEY'RE NOT USED CORRECTLY, THEY CAN BE DEADLY. ERIN WHITE TELLS US WHY. FOR MORE INFORMATION, HEAD ONLINE TO WWW.EXTENSION.MISSOURI.EDU.

TRACTOR TALES : TRACTOR TALES THIS WEEK FEATURES AN INDIANA COLLECTOR WHO HAS LOTS OF GOOD THINGS TO SAY ABOUT AN OLD ALLIS-CHALMERS MACHINE.

COUNTRY CHURCH SALUTE : OUR COUNTRY CHURCH SALUTE THIS WEEK SPOTLIGHTS THE SALEM EVANGELICAL LUTHERAN CHURCH NEAR STURGEON BAY IN BEAUTIFUL DOOR COUNTY WISCONSIN, WHICH CELEBRATED 125 YEARS OF SERVICE LAST YEAR. WE THANK ROGER LUEDKE FOR SENDING US THE INFORMATION AND PICTURE. AS ALWAYS, WE'D LIKE TO LEARN

MORE ABOUT YOUR HOME CHURCH AS WELL SALUTES CAN BE SENT TO PO BOX 1062, SOUTH BEND, IN, 46624-0062, OR EMAIL US: INFO@USFARMREPORT.COM.

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Show #1750

Weekend of February 24, 2007

NEW INSPECTION SYSTEM : WE BEGIN IN WASHINGTON WHERE THE AG DEPARTMENT OUTLINES CHANGES IT WANTS TO MAKE TO ITS MEAT AND POULTRY INSPECTION SYSTEM. ACCORDING TO AN AGWEB REPORT, THE CHANGES FOCUS ON STEPPING UP INSPECTIONS AT PLANTS WHERE THERE HAVE BEEN VIOLATIONS IN THE PAST. PLANTS WITH BETTER RECORDS WOULD UNDERGO LESS SCRUTINY. IF ALL GOES AS PLANNED, AS MANY AS 12 HUNDRED PLANTS WILL BE PART OF THE NEW SYSTEM BY THE FIRST OF NEXT YEAR. STARTING THIS APRIL, THE SYSTEM WILL BE TESTED AT ABOUT 250 FACILITIES. FEDERAL LAW ALREADY REQUIRES DAILY INSPECTIONS, A PROCESS THAT WILL CONTINUE AND THE PROPOSED CHANGES WOULD APPLY ONLY TO PROCESSING PLANTS, NOT SLAUGHTER FACILITIES.

DAIRY PRODUCTION : NEW NUMBERS FROM THE USDA SHOW 2006 TURNED OUT TO BE A VERY PRODUCTIVE YEAR FOR THE DAIRY INDUSTRY. ACCORDING TO A DAIRY TODAY REPORT , US DAIRYMEN CHURNED OUT 182 BILLION POUNDS OF MILK LAST YEAR, UP NEARLY 3% FROM 2005. ONE INTERESTING NOTE: IDAHO HAS OVERTAKEN PENNSYLVANIA AS THE NUMBER FOUR DAIRY STATE , AND COULD SOON PASS NEW YORK . CALIFORNIA AND WISCONSIN REMAIN THE TOP TWO DAIRY PRODUCING STATES.

RED MEAT EXPORTS : 2006 WAS ALSO A SUCCESSFUL YEAR ON THE EXPORT FRONT FOR US PORK PRODUCERS. ACCORDING TO THE US MEAT EXPORT FEDERATION, MORE THAN 1 ¼ MILLION TONS OF PORK WAS EXPORTED, UP 9% FROM 2005. THE 'BEST CUSTOMER' LIST INCLUDES MEXICO , JAPAN , SOUTH KOREA AND RUSSIA . BEEF EXPORTS ALSO CLIMBED HIGHER IN 2005, WITH SALES VOLUME INCREASING BY NEARLY 40%. FOR THE THIRD STRAIGHT YEAR, THE MEAT EXPORT FEDERATION REPORTS MEXICO WAS THE BIGGEST BUYER OF AMERICAN BEEF, AND IT NOTES SALES TO THE MIDDLE EAST HAVE NEARLY DOUBLED SINCE 2003.

FSA CUTS : THE FARM SERVICE AGENCY IS LOOKING FOR COMMENTS FROM ALL ACROSS FARM COUNTRY AS IT CONSIDERS STATE-BY-STATE PROPOSALS TO SHUTTER DOZENS OF FIELD OFFICES. BACK IN 2005 THE USDA INITIALLY PROPOSED CUTTING MORE THAN SEVEN HUNDRED OFFICES, SPARKING CONTROVERSY THAT REACHED ALL THE WAY TO CAPITOL HILL. TERESA LASSETER, THE FSA'S TOP ADMINISTRATOR, SAYS WORKING AT THE STATE LEVEL TO IDENTIFY POTENTIAL OFFICES TO TRIM SHOULD DRAW LESS OVERALL CRITICISM. SO FAR, 24 STATES HAVE FILED RESTRUCTURING PLANS, WITH THE BIGGEST CUTS COMING FROM TEXAS , WHICH IS PROPOSING TO SHUT DOWN 25 OFFICES.

ROUND-TABLE : AGRI-BUSINESS DIRECTOR AL PELL SITS DOWN WITH GREG WAGNER OF HORIZON AG STRATEGIES AND CHRIS HURT, AG ECONOMIST FROM PURDUE.

JOHN'S WORLD : THE BUZZ SURROUNDING ESCALATING GRAIN PRICES HAS QUIETED TO A STUNNED HUSH AS RELENTLESS GAINS PUSH CORN TOWARD ALL TIME RECORD HIGHS. NOT TO BE LEFT OUT, NERVOUS USERS OF OTHER CROPS ARE RESPONDING WITH ENERGETIC BIDS. MANY FARMERS I HAVE SPOKEN WITH ARE NERVOUS ABOUT FOOD PRICES AND A CONSUMER BACKLASH. I AM NOT CERTAIN THE EFFECT WILL BE THAT NOTICEABLE. GRAIN PRICES ARE ONLY A TINY PORTION OF FOOD PRICES, AFFECTING MEAT PRODUCTION COSTS MOSTLY. AS DAIRY AND LIVESTOCK PRODUCERS ARE SQUEEZED MEAT SUPPLIES MAY FALL UNTIL RETAIL PRICES RISE. BUT SINCE AMERICA SPENDS HALF ITS FOOD DOLLARS ON PREPARED FOODS, NOT INGREDIENTS, LABOR, TRANSPORTATION AND MARKETING COSTS OVERSHADOW GRAIN INPUTS. MEANWHILE, VEGETABLES, FRUITS AND SUGAR ARE MUCH LESS AFFECTED. FOOD WILL BECOME MORE EXPENSIVE TO BE SURE, AND THERE WILL BE SOME PILING ON AS FOOD PROCESSORS USE HIGHER GRAIN PRICES AS AN EXCUSE TO RECOVER OTHER COSTS, OR EVEN JUST BOOST PROFITS, BUT THE NUMBERS SHOW CLEARLY THERE IS ROOM IN THE SYSTEM FOR ADJUSTMENTS TO OFFSET HIGHER PRICES. AFTER ALL, WHOPPING ENERGY COST INCREASES DID

NOT SIGNIFICANTLY RAISE FOOD PRICES LAST YEAR. AMERICA 'S FARMS ARE AN IMPORTANT PART OF AN EFFICIENT FOOD SYSTEM. IF OUR PRIORITIES ARE NOW TO PRODUCE ENERGY AND FOOD, MY BET IS WE WILL CONTINUE TO TAKE CARE OF OUR OLDEST CUSTOMERS, WHILE SERVING NEW ONES. AS ALWAYS, WE'D LIKE TO KNOW WHAT YOU THINK ABOUT THIS OR ANY OTHER ISSUE. SEND YOUR COMMENTS VIA EMAIL TO INFO@USFARMREPORT.COM, OR CALL TOLL FREE 1.800.792.4329.

IMPERIUM BIODIESEL : WE BEGIN WITH A BIG PUSH FOR RENEWABLE FUELS IN THE PACIFIC NORTHWEST. IMPERIUM RENEWABLES OF SEATTLE ANNOUNCED THIS WEEK THAT IT HAS SECURED FINANCING THAT WILL MAKE IT THE BIGGEST BIODIESEL PRODUCER IN THE US WITHIN THE NEXT 18 MONTHS. THE PLAN IS TO EXPAND AN EXISTING BIO-REFINERY IN WASHINGTON STATE AND BUILD THREE NEW PLANTS THAT BY THE END OF 2008 WILL BE CAPABLE OF PRODUCING 400 MILLION GALLONS OF BIODIESEL.

GA - BIODIESEL PLANT : ALSO THIS WEEK, FORMER PRESIDENT JIMMY CARTER HELPS BREAK GROUND ON A NEW BIOFUEL PLANT IN HIS HOMETOWN OF PLAINS GEORGIA . ONCE IN OPERATION LATER THIS YEAR, ALTERRA BIOENERGY SAYS THE PLANT WILL USE REGIONAL CROPS, INCLUDING SOYBEANS, PEANUTS AND COTTON, TO PRODUCE BIODIESEL.

CONAGRA - PEANUT BUTTER : IN OTHER NEWS THIS WEEK, A BAD BATCH OF PEANUT BUTTER COMES WITH A HIGH PRICE FOR CONAGRA. THE COMPANY SAYS A RECALL THIS MONTH OF JIF AND GREAT VALUE PEANUT BUTTER DUE TO SALMONELLA CONCERNS WILL GENERATE LOSSES TOTALING UP TO \$60M. IN ALL, CONAGRA REPORTS IT HAS FIELDDED MORE THAN ONE MILLION CALLS SINCE THE RECALL WAS ANNOUNCED LAST WEEK.

MIDDLE EAST - BEEF : THE APPETITE FOR AMERICAN BEEF PRODUCTS IS GROWING IN THE MIDDLE EAST. ACCORDING TO THE US MEAT EXPORT FEDERATION, SHIPMENTS TO THE REGION HAVE DOUBLED SINCE 2003, TOTALING NEARLY 90 THOUSAND METRIC TONS LAST YEAR. THE MOST POPULAR ITEMS INCLUDE LIVERS, KIDNEYS AND HEARTS, RETURNING PROFITS TO THE US BEEF INDUSTRY ON PRODUCTS THAT ARE NOT AS POPULAR HERE IN THE STATES.

AG EXPO - GIULIANI : THE 40 TH ANNUAL WORLD AG EXPO WRAPPED UP EARLIER THIS MONTH IN CALIFORNIA 'S CENTRAL VALLEY , AN EVENT THAT ATTRACTS MORE THAN 100 THOUSAND VISITORS FROM 66 DIFFERENT COUNTRIES. ALONG WITH SHOWING OFF THE LATEST AND GREATEST IN AG EQUIPMENT AND TECHNOLOGY, THE SHOW ALSO WAS A STOMPING GROUND FOR AT LEAST ONE WHITE HOUSE HOPEFUL. GOP PRESIDENTIAL CANDIDATE RUDY GIULIANI DELIVERED REMARKS AT THE OPENING CEREMONIES. AFTERWARD, OUR OWN AL PELL ASKED THE FORMER NEW YORK MAYOR WHY HE MADE THE TRIP TO TULARE .

SPIRIT OF THE HEARTLAND - MISSOURI PET PROZAC : PET OWNERS ARE A LOYAL BREED, WILLING TO DO JUST ABOUT ANYTHING TO ENSURE A COMFORTABLE EXISTENCE FOR MAN'S BEST FRIEND. IN THIS DAY AND AGE, THIS INCLUDES THE USE OF ANTI-DEPRESSANTS TO HELP ANIMALS OVERCOME INAPPROPRIATE OR DESTRUCTIVE BEHAVIORS. IN THIS REPORT FROM AFFILIATE KY3 IN SPRINGFIELD MISSOURI , STEVE GRANT LOOKS AT THE GROWING USE OF PET PROZAC AS A LAST RESORT TO CALM CHERISHED COMPANIONS.

FARM EQUIPMENT SALES : 2007 IS OFF TO A MIXED START FOR THE MAKERS OF BIG FARM EQUIPMENT. ACCORDING TO THE ASSOCIATION OF EQUIPMENT MANUFACTURERS, SALES OF FOUR-WHEEL DRIVE TRACTORS LAST MONTH WERE OFF 8% FROM JANUARY 2006, WHILE SALES OF TWO-WHEEL DRIVE TRACTORS DIPPED MORE THAN 9%. ON A BRIGHTER NOTE, AEM REPORTS SALES OF COMBINES SPIKED BY MORE THAN 20%.

NFMS WRAP : THE 42 ND ANNUAL NATIONAL FARM MACHINERY SHOW ROLLED INTO LOUISVILLE LAST WEEK, A MASSIVE DISPLAY FEATURING THE VERY LATEST IN AG EQUIPMENT AND TECHNOLOGY. AND WHILE FARMERS AND RANCHERS ALWAYS LIKE TO SEE WHAT'S NEW, THIS YEAR MANY HAD BIGGER IDEAS IN MIND. AS ERIN WHITE REPORTS, \$4 CORN IS FUELING DEMAND FOR NEW EQUIPMENT.

TRACTOR TALES : TRACTOR TALES THIS WEEK FEATURES A LITTLE KNOWN BRAND THAT'S NOW IN THE HANDS OF A CARING COLLECTOR. WE HEAD TO THE WORLD AG EXPO IN TULARE CALIFORNIA FOR A LOOK AT A 'HAPPY FARMER TRACTOR'.

COUNTRY CHURCH SALUTE : OUR COUNTRY CHURCH SALUTE THIS WEEK HONORS A SOUTHERN BAPTIST CONGREGATION THIS WEEK: MOUNT ZION SOUTHERN BAPTIST CHURCH IN HARTVILLE MISSOURI . WE THANK RALPH WALLING, A GREAT-GRANDSON OF THE FOUNDER FOR SHARING HIS CHURCH WITH US. AS ALWAYS, WE'D LIKE TO LEARN MORE ABOUT YOUR HOME CHURCH AS WELL SALUTES CAN BE SENT TO PO BOX 1062, SOUTH BEND, IN, 46624-0062, OR EMAIL US: INFO@USFARMREPORT.COM.

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U.S. FARM REPORT

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Show #1751

Weekend of March 03, 2007

ACREAGE UPDATE : NEW NUMBERS FROM THE USDA SHOW ACRES PLANTED TO CORN THIS SPRING WILL JUMP DRAMATICALLY COMPARED TO A YEAR AGO. AT THIS WEEK'S ANNUAL OUTLOOK FORUM, CHIEF ECONOMIST KEITH COLLINS SAID THE DEPARTMENT NOW EXPECTS US FARMERS WILL PLANT 87M ACRES OF CORN THIS YEAR – UP MORE THAN 8 ½ M ACRES FROM 2006 AND ENOUGH TO PRODUCE A CROP TOTALING MORE THAN 12B BUSHEL. HE ALSO SUGGESTED 3.2B BUSHEL. WOULD GO FOR ETHANOL PRODUCTION. FOR OTHER CROPS, THE DEPARTMENT NOW PEGS BEAN ACRES AT 70 ½ M WITH WHEAT COMING IN AT 60M.

AFBF ETHANOL ESTIMATE : THE AMERICAN FARM BUREAU DOESN'T EXPECT THE ETHANOL BOOM TO SLOW ANYTIME SOON. ACCORDING TO THE FARM BUREAU, 3 ½ BILLION BUSHEL OF CORN WILL BE USED TO PRODUCE ABOUT 9 ½ BILLION GALLONS OF ETHANOL IN THE COMING CROP YEAR. NEXT YEAR THEY EXPECT THAT TOTAL TO CLIMB TO NEARLY 5 BILLION BUSHEL – ENOUGH TO PRODUCE 13 ½ BILLION GALLONS OF ETHANOL. WHILE THESE NUMBERS ARE ABOVE USDA PROJECTIONS, FARM BUREAU ECONOMISTS SAY THE RESULTS ARE THE SAME...A RELATIVELY TIGHT SUPPLY AND DEMAND EQUATION FOR THE FORESEEABLE FUTURE.

CAP CONFUSION : PRESIDENT BUSH'S PROPOSAL TO ELIMINATE COMMODITY PAYMENTS TO FARMERS WITH AN ADJUSTED GROSS INCOME ABOVE \$200 THOUSAND IS CREATING CONFUSION FOR MANY INVOLVED IN AGRICULTURE. THIS MORNING, SOME FACTS TO CLEAR THE AIR. THE BUSH ADMINISTRATION'S PROPOSAL ALSO INCLUDES ALL OFF-FARM INCOME, RENTAL INCOME, BANK INTEREST, DIVIDENDS, CAPITAL GAINS, OR IF YOU SHOULD HIT IT BIG IN THE LOTTERY OR AT THE CASINO.

ROUND-TABLE : AGRI-BUSINESS DIRECTOR AL PELL SITS DOWN WITH MIKE FLOREZ OF FLOREZ TRADING AND JIM BOWER OF BOWER TRADING.

JOHN'S WORLD : WE TAKE YOU BACK TO THE 2007 COMMODITY CLASSIC WITH JOHN IN TAMPA . AS ALWAYS, WE'D LIKE TO KNOW WHAT YOU THINK ABOUT THIS OR ANY OTHER ISSUE. SEND YOUR COMMENTS VIA EMAIL TO INFO@USFARMREPORT.COM, OR CALL TOLL FREE 1.800.792.4329.

EXPORT UPDATE : THE AG DEPARTMENT IS PAINTING A HEALTHY PICTURE FOR AMERICAN AG EXPORTS. FOR THE CURRENT FISCAL YEAR THE USDA SAYS EXPORTS WILL HIT A RECORD \$78B – UP A BILLION FROM ITS NOVEMBER FORECAST. LEADING THE WAY IS CORN, WHERE A RECORD \$9.2B IN SALES IS NOW PROJECTED. ALSO HEADED HIGHER – SOYBEANS AND PORK. THE USDA SAYS TWO-THIRDS OF THE INCREASE COMES FROM THE GRAIN AND OILSEED SECTORS, ALONG WITH RECORD SALES FOR BOTH LIVESTOCK AND HORTICULTURAL PRODUCTS.

DISASTER DEBATE : THE TOP MAN AT THE USDA ENDURED SOME TESTY EXCHANGES AS HE APPEARED BEFORE A SENATE APPROPRIATIONS COMMITTEE FOCUSING ON DISASTER AID FOR AGRICULTURE. AT TUESDAY'S HEARING, SECRETARY MIKE JOHANN'S DEFENDED THE BUSH ADMINISTRATION'S UNWILLINGNESS TO BACK A DISASTER PACKAGE UNLESS MONEY IS TAKEN FROM OTHER FARM PROGRAMS TO PAY FOR IT. SEVERAL FARM-STATE SENATORS HAVE INTRODUCED PACKAGES TO HELP PAY FOR DISASTERS IN 2005, 2006 AND MOST RECENTLY A DEVASTATING FREEZE IN CALIFORNIA CITRUS COUNTRY. SENATOR BEN NELSON OF NEBRASKA SUGGESTED THE BUSH ADMINISTRATION SHOULD SUPPORT THE CREATION OF A FARM DISASTER CONTINGENCY FUND.

USDA MEAT INSPECTION : BEGINNING NEXT MONTH, THE USDA WILL STEP-UP INSPECTIONS OF MEAT PROCESSING PLANTS, PAYING MORE ATTENTION TO FACILITIES THAT HAVE HAD TROUBLE IN THE PAST. THE AG DEPARTMENT SAYS THE NEW POLICY WILL MAKE IT EASIER TO DETERMINE WHERE CHANGES NEED TO BE MADE AT THE NATION'S APPROXIMATELY 53

HUNDRED PROCESSING PLANTS. ACCORDING TO THE ASSOCIATED PRESS, DAILY INSPECTIONS OF ALL PROCESSING PLANTS ARE REQUIRED UNDER FEDERAL LAW AND WILL CONTINUE UNDER THE PROPOSED CHANGES. THE NEW POLICY ONLY APPLIES TO PROCESSING PLANTS AND NOT TO SLAUGHTER HOUSES.

SOY 2020 : THE SOYBEAN INDUSTRY IS COMING TOGETHER THROUGH A COMMON VISION IT HAS TITLED 'SOY 2020'. UNVEILED THIS WEEK AT THE COMMODITY CLASSIC, THE INITIATIVE INVOLVES ANY COMPANY, BUSINESS OR ORGANIZATION INTERESTED IN HELPING THE INDUSTRY THRIVE IN THE YEARS AHEAD. ERIN WHITE HAS OUR STORY.

SPIRIT OF THE HEARTLAND – TEXAS AG IMMIGRANT : SPIRIT OF THE HEARTLAND THIS WEEK TAKES US TO A WEST TEXAS COMMUNITY THAT'S HOME TO A BUSINESS WITH A GREAT SENSE OF TIMING. AS THOUSANDS OF MILES OF FENCES ERECTED BACK IN THE 1920s BEGAN TO COLLAPSE, A FENCING COMPANY OWNED AND OPERATED BY A MEXICAN IMMIGRANT CAME TO LIFE. TOM NICOLETTE OF THE TEXAS FARM BUREAU HAS OUR STORY.

RUST WATCH : WITH THE 2007 GROWING SEASON RAPIDLY APPROACHING, CROP WATCHERS ARE WARNING MIDWEST FARMERS TO BE ON THE LOOKOUT FOR A YIELD-BUSTING FUNGUS. SPECIALISTS AT THE UNIVERSITY OF ILLINOIS SAY HIGH WINDS CARRIED ASIAN SOYBEAN RUST FROM THE SOUTHERN US ALL THE WAY TO SOUTHERN ILLINOIS LAST OCTOBER, AND ALTHOUGH IT WAS A LATE-SEASON ARRIVAL, CHANCES FOR A RETURN APPEARANCE THIS YEAR ARE GOOD. THEIR ADVICE TO GROWERS – SCOUT FIELDS REGULARLY, OBSERVE RESULTS FROM SENTINEL PLOTS AND SPRAY FUNGICIDES AS NEEDED.

FARMERS ALMANAC : IT'S A PUBLICATION MORE THAN 200 YEARS OLD, ONE THAT HAS A HISTORY AND A REPUTATION FOR PREDICTING MAJOR WEATHER EVENTS WITH UNCANNY ACCURACY. SO IS THE FORECAST FROM 'THE OLD FARMERS ALMANAC' SOME KIND OF PROPHECY OR IS IT JUST COINCIDENCE? ERIN WHITE TELLS US WHAT ONE EXPERT HAS TO SAY.

TRACTOR TALES : TRACTOR TALES THIS WEEK IS A TWO-FOR-ONE, FEATURING A PAIR OF OLD FARM-ALLS METICULOUSLY BROUGHT BACK TO LIFE BY AN INDIANA COLLECTOR.

COUNTRY CHURCH SALUTE : OUR COUNTRY CHURCH SALUTE THIS WEEK SPOTLIGHTS THE ACTON CONGREGATIONAL CHURCH IN ACTON MAINE . WE THANK CLAIRE BRAGG FOR TELLING US ALL ABOUT THE ACTON CONGREGATIONAL CHURCH. AS ALWAYS, WE'D LIKE TO LEARN MORE ABOUT YOUR HOME CHURCH AS WELL SALUTES CAN BE SENT TO PO BOX 1062, SOUTH BEND, IN, 46624-0062, OR EMAIL US: INFO@USFARMREPORT.COM.

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Show #1752

Weekend of March 10, 2007

NPPC ON ETHANOL : THE NATIONAL PORK PRODUCERS COUNCIL IS CALLING FOR AN END TO ETHANOL SUBSIDIES. AT A MEETING IN CALIFORNIA, NPPC DELEGATES VOTED TO SUPPORT EXPIRATION OF THE 54 CENT TARIFF ON IMPORTED ETHANOL NEXT YEAR AND THE 51 CENT A GALLON ETHANOL BLENDEES TAX CREDIT IN 2010. IF THE BLENDEES CREDIT IS CONTINUED, THE NPPC SAYS IT SHOULD BE REPLACED BY A COUNTER-CYCLICAL CREDIT SYSTEM BASED ON THE PRICE OF OIL.

ETHANOL PRODUCTION : ETHANOL PRODUCTION CONTINUES TO HIT NEW HIGHS. ACCORDING TO THE ENERGY INFORMATION ADMINISTRATION, PRODUCTION REACHED NEARLY 4.9 BILLION GALLONS – OR 317 THOUSAND BARRELS A DAY – LAST YEAR: UP 2 ½% FROM 2005. DEMAND ALSO CONTINUES TO GROW, HITTING NEARLY 5 ½ GALLONS LAST YEAR: A 33% BUMP.

KOREA BEEF UPDATE : IN A CHANGE OF COURSE, SOUTH KOREA SAYS IT WILL LOWER QUARANTINE STANDARDS OVER BANNED BONE FRAGMENTS BY THE END OF THE MONTH, PAVING THE WAY FOR THE RESUMPTION OF US BEEF IMPORTS. ONCE THE THIRD LARGEST OVERSEAS BEEF MARKET, SOUTH KOREA NOTIFIED THE US OF ITS PLAN DURING NEGOTIATIONS WASHINGTON EARLIER THIS WEEK. ACCORDING TO THE ASSOCIATED PRESS REPORT, UNDER THE LOWER STANDARDS, BONE FRAGMENTS WILL BE UNACCEPTABLE, BUT INSTEAD OF REJECTING THE ENTIRE SHIPMENT, SEOUL WOULD RETURN ONLY INDIVIDUAL BOXES THAT DON'T PASS SPECS.

ROUND-TABLE : AGRI-BUSINESS DIRECTOR AL PELL SITS DOWN WITH GREGG HUNT OF FOX INVESTMENTS, MARK GOLD OF TOP THIRD MARKETING AND BOB UTTERBACK, A FARM JOURNAL ECONOMIST, ALONG WITH RICHARD BROCK OF BROCK AND ASSOCIATES.

JOHN'S WORLD : MANY OF YOU CORN AND SOYBEAN PRODUCERS ARE CLOSE TO THE DEADLINE FOR DECIDING ON CROP INSURANCE. LET ME STATE RIGHT HERE, I HAVE NEVER PURCHASED CROP INSURANCE EXCEPT FOR CATASTROPHIC COVERAGE REQUIRED FOR MY FSA BIN LOAN. THE FEDERAL GOVERNMENT SUBSIDIZES CROP INSURANCE WITH OVER \$4B, WHICH MAKES FARMER CALLS FOR ACTUARIALLY SOUND PROGRAMS PRETTY FUNNY. ACTUARIALLY SOUND PROGRAMS WOULD HAVE PREMIUMS ABOUT THREE TIMES HIGHER WITHOUT GOVERNMENT AID. I AM FORTUNATE TO LIVE IN AN AREA WITH CONSISTENT YIELDS, AND CROP INSURANCE HAS NOT BEEN A BIG PLUS IN MY OPINION. MANY REGIONS WOULD FACE STARKLY DIFFERENT PRODUCTION RISKS WITHOUT IT HOWEVER. THIS YEAR, THE UNUSUAL COMBINATION OF HIGH PRICES IN FEBRUARY AND GROUP REVENUE POLICIES MAKE CROP INSURANCE, ALTHOUGH EXPENSIVE, ALMOST A SURE THING FOR MOST PRODUCERS. THE UNIVERSITY OF ILLINOIS HAS AN EXCELLENT DECISION AID TO HELP YOU. PLEASE CHECK OUR HOME PAGE FOR THE LINK. THIS CHOICE IS TRULY DIFFERENT THIS YEAR. I ADMIT I AM A HYPOCRITE IN CONSIDERING SUBSIDIZED CROP INSURANCE. I BELIEVE CROP INSURANCE SHOULD STAND ON ITS OWN TO PREVENT FARMING MARGINAL GROUND. BUT AS CASH RENTS HAVE NEARLY DOUBLED IN MY AREA, EVEN THOSE OF US WHO WOULD PREFER LESS GOVERNMENT INTERVENTION WILL BE HANDICAPPED TO COMPETE WITH PRODUCERS WHO TAKE EVERY FEDERAL DOLLAR THEY CAN GET. IT KINDA REMINDS ME OF PRESIDENTIAL CANDIDATES AND SPECIAL INTEREST MONEY. AS ALWAYS, WE'D LIKE TO KNOW WHAT YOU THINK ABOUT THIS OR ANY OTHER ISSUE. SEND YOUR COMMENTS VIA EMAIL TO INFO@USFARMREPORT.COM, OR CALL TOLL FREE 1.800.792.4329.

FAPRI REPORT : THE FOOD AND AGRICULTURAL POLICY RESEARCH INSTITUTE, BETTER KNOWN AS FAPRI, HAS RELEASED LONG-TERM PROJECTIONS FOR FARM COUNTRY AND THE NEWS HARDLY COMES AS A SURPRISE. ACCORDING TO FAPRI, HIGH CORN PRICES WILL CREATE MAJOR

SHIFTS IN CROP PRODUCTION THE NEXT TWO YEARS, RESULTING IN A SIGNIFICANT TRICKLEDOWN EFFECT.

US - MEXICO : EFFORTS ARE UNDERWAY TO STRENGTHEN AN ALREADY STRONG RELATIONSHIP BETWEEN THE US AND MEXICO . EARLIER THIS WEEK THE TWO COUNTRIES AGREED TO REESTABLISH A COMMITTEE THAT HAS HISTORICALLY DEALT WITH A VARIETY OF TRADE ISSUES, EVERYTHING FROM MARKET ACCESS TO ANIMAL AND PLANT HEALTH. MEXICO IS ALREADY THE SECOND LARGEST AG MARKET FOR THE US , WHILE THE US IS MEXICO 'S NUMBER ONE CUSTOMER. LAST YEAR ALONE AG TRADE BETWEEN THE TWO NATIONS TOPPED MORE \$20B.

HEALTHIER SOY OIL : AN AGRIBUSINESS PARTNERSHIP IS ANNOUNCED WITH THE GOAL OF COMING UP WITH A HEALTHIER SOYBEAN OIL. IN A COMPANY RELEASE, MONSANTO SAYS IT WILL TEAM WITH SOLAE, BOTH ST LOUIS-BASED COMPANIES, TO DEVELOP SOY-BASED PRODUCTS THAT ARE RICH IN OMEGA-THREE FATTY ACIDS. WHILE MONSANTO WILL WORK TO DEVELOP THE BEAN ITSELF, SOLAE WILL WORK TO DEVELOP SOY-BASED ADDITIVES THAT CAN BE USED IN ALL KINDS OF PRODUCTS, INCLUDING CEREAL, YOGURT, ENERGY BARS AND SOFT DRINKS. AMONG OTHER BENEFITS, A DIET RICH IN SOY PROTEIN HAS BEEN LINKED TO LOWER CHOLESTEROL AND A REDUCED RISK OF CORONARY DISEASE.

SPIRIT OF THE HEARTLAND – INDOOR AQUACULTURE : FISH FARMING HAS TRADITIONALLY BEEN DONE IN PONDS OR STREAMS, WHICH REQUIRES THOUSANDS OF ACRES OF SPACE AND MILLIONS OF GALLONS OF WATER JUST TO MEET DEMAND – IF YOU'RE SUCCESSFUL. BUT NOW, THIS PROCESS HAS GONE INDOORS, AND IN DRAMATIC FASHION. SHERRI MCKINNEY OF THE VIRGINIA FARM BUREAU HAS OUR STORY.

COMMODITY CLASSIC : IT'S A GREAT TIME TO BE A FARMER. THAT WAS DEFINITELY THE PREVAILING ATTITUDE AT THIS YEAR'S COMMODITY CLASSIC IN TAMPA FLORIDA . THE ANNUAL EVENT ATTRACTED THOUSANDS OF THE NATION'S TOP CORN, SOYBEAN AND WHEAT GROWERS, MANY WHO ARE DIRECTLY BENEFITING FROM A BULL MARKET IN THE AG PITS. NATIONAL REPORTER ERIN WHITE HAS OUR STORY.

TRACTOR TALES : TRACTOR TALES THIS WEEK HEADS SOUTH TO THE 39 TH ANNUAL PIONEER PARK DAYS, HELD ANNUALLY IN ZOLFO SPRING FLORIDA . TODAY WE FEATURE AN OLD MACHINE MADE ACROSS THE POND.

COUNTRY CHURCH SALUTE : OUR COUNTRY CHURCH SALUTE THIS WEEK SPOTLIGHTS SAMARIA BAPTIST CHURCH IN PARAGON INDIANA . THANKS TO ELLEN WILSON-PRUITT FOR THE COLORFUL STORY OF HER CHARMING CHURCH. AS ALWAYS, WE'D LIKE TO LEARN MORE ABOUT YOUR HOME CHURCH AS WELL SALUTES CAN BE SENT TO PO BOX 1062, SOUTH BEND , IN , 46624-0062 , OR EMAIL US : INFO@USFARMREPORT.COM.

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Show #1753

Weekend of March 17, 2007

IA – RUST FIND : WE BEGIN WITH WORD OF AN OMINOUS DISCOVERY IN THE HAWKEYE STATE . ACCORDING TO IOWA STATE UNIVERSITY , ASIAN SOYBEAN RUST HAS BEEN CONFIRMED ON PLANT TISSUE TAKEN FROM A BIN OF SOYBEANS PRODUCED ON AN IOWA FARM LAST YEAR. AN IMPORTANT NOTE – RUST SPECIALISTS SAY THIS FIND DOES NOT POSE A RISK OF INFECTING THE 2007 CROP SINCE THE FUNGUS CANNOT SURVIVE WITHOUT GREEN LEAF TISSUE, LET ALONE THE COLD IOWA WINTER. FOR THE NATION AS A WHOLE, THE AG DEPARTMENT'S RUST TRACKING WEBSITE SHOWS THE FUNGUS HAS ALREADY BEEN DETECTED THIS YEAR ON KUDZU IN FLORIDA , GEORGIA AND ALABAMA . THE GOOD NEWS – THERE ARE NO REPORTS OF RUST SURVIVING THE WINTER IN LOUISIANA , MISSISSIPPI OR SOUTH CAROLINA . FOR THE VERY LATEST, HEAD ONLINE TO WWW.SBRUSA.NET.

FARM BILL UPDATE : IN WASHINGTON , EFFORTS TO CRAFT THE 2007 FARM BILL ARE WELL UNDERWAY. LEADING THE CHARGE IS HOUSE AG COMMITTEE CHAIRMAN COLLIN PETERSON, A MINNESOTA DEMOCRAT. DESPITE HIS CLOSE TIES TO MIDWEST AGRICULTURE, PETERSON SAYS ALL CORNERS OF FARM COUNTRY WILL PLAY A ROLE IN DRAFTING THE NEW FARM BILL.

MEXICO WHEAT BAN : MEXICO HAS LIFTED A BAN ON WHEAT FROM THE SOUTH-WESTERN US. THE BAN WAS IMPLEMENTED TEN YEARS AGO WHEN KARNAL BUNT WAS FIRST DETECTED IN ARIZONA . KARNAL BUNT IS A FUNGAL DISEASE SPREAD PRIMARILY THROUGH THE MOVEMENT OF INFECTED SEED. EVEN WITH THE BAN IN PLACE , MEXICO WAS THE THIRD LARGEST BUYER OF AMERICAN WHEAT, SETTING RECORD SALES OF \$459 MILLION IN 2004.

CRP UPDATE : CONSERVATION IS EXPECTED TO PLAY A BIG PART IN THE NEW FARM BILL, AND IF THE LATEST AG DEPARTMENT FORECAST IS ON TARGET, MORE THAN 4 ½ MILLION ACRES IN CRP CONTRACTS WILL EXIT THE PROGRAM IN THE NEXT THREE YEARS. BASED ON INPUT FROM MORE THAN 300 HUNDRED PARTICIPANTS IN THE CONSERVATION PROGRAM, THE USDA ESTIMATES ALMOST A QUARTER OF THE ACREAGE COMING OUT OF THE PROGRAM WILL COME FROM MAJOR CORN PRODUCING STATES.

ALFALFA RULING : A FEDERAL JUDGE IN NORTHERN CALIFORNIA HAS ISSUED A PRELIMINARY INJUNCTION ON THE SALE AND PLANTING ON MONSANTO'S GENETICALLY ENGINEERED ALFALFA. JUDGE CHARLES BREYER FOUND THE USDA FAILED TO ADDRESS CONCERNS THAT ROUNDUP READY ALFALFA COULD CONTAMINATE CONVENTIONAL AND ORGANIC ALFALFA. HE ALSO RULED THE USDA APPROVED THE TECHNOLOGY WITHOUT COMPLETING REQUIRED ENVIRONMENTAL STUDIES. THE RULING ALLOWS THE CONTINUED HARVEST OF THE CROP, BUT SEED CANNOT BE SOLD – AND IT CANNOT BE PLANTED AFTER MARCH 30 TH.

CBOT RULING : FINALLY, A SURPRISE BID FOR THE CHICAGO BOARD OF TRADE. ON THURSDAY, INTER-CONTINENTAL EXCHANGE – AN ELECTRONIC FUTURES FIRM BASED IN ATLANTA – MADE AN UNSOLICITED ALL-STOCK BID OF \$9.9B FOR THE CBOT, TOPPING AN ALREADY AGREED TO OFFER OF \$8B FROM THE CHICAGO MERCANTILE EXCHANGE. NO WORD YET IF THE MERC WILL UP ITS OFFER. AT THIS TIME STAKE-HOLDERS WITH THE CBOT ARE SCHEDULED TO VOTE ON THE MERC OFFER IN EARLY APRIL.

ROUND-TABLE : AGRI-BUSINESS DIRECTOR AL PELL SITS DOWN WITH TWO ILLINOIS FARMERS – BRAD HARDING AND OUR VERY OWN JOHN PHIPPS – TO SEE HOW THE BULL MARKET IS IMPACTING THEIR OPERATIONS.

JOHN'S WORLD : THIS WEEK I JOINED THE WINNERS OF THE FARM JOURNAL WELDING UNIVERSITY CONTEST AT THE HEADQUARTERS OF MILLER ELECTRONIC MANUFACTURING, HOME OF THE WORLD CLASS METALWORKING MACHINERY. WE'LL HAVE MUCH MORE ABOUT IT

IN UPCOMING SHOWS, BUT HERE ARE A COUPLE OF IMPRESSIONS FROM THE EVENT. METALWORKING IS ONE OF MANY HOBBIES INVOLVING MANUAL SKILLS THAT ARE ENJOYING INCREASED POPULARITY. IN FACT, ROOM FOR A BIGGER SHOP OR GARDEN IS ONE REASON FARMERS ARE GETTING NEW NEIGHBORS. IN ADDITION, BEING ABLE TO GET ALL KINDS OF INFORMATION AND INSPIRATION ONLINE IS HELPING BEGINNERS AND EXPERTS ALIKE. PERHAPS BECAUSE MANY OF OUR CAREERS INVOLVE SITTING AT A COMPUTER MORE AND USING OUR HANDS LESS, HOBBIES LIKE WOODWORKING OR COOKING ARE A GREAT COUNTERBALANCE IN OUR LIVES. JUST LIKE FARMERS CAN'T WAIT RIGHT NOW TO GET OUTSIDE AND DO SOME PHYSICAL WORK, OUR COUNTERPARTS IN URBAN AMERICA LOOK FORWARD TO SLIPPING AWAY TO A WORKSHOP OR STUDIO OR GREENHOUSE. AS YOU'LL SEE, MANUFACTURERS ARE BEGINNING TO TAKE FOLKS LIKE THIS SERIOUSLY, AND BUILD TOOLS THAT CAN HELP AMATEURS TO WORK BETTER AND FASTER. THIS FORM OF RELAXATION IS REWARDING AND EVEN BETTER REPEATABLE. AMERICANS CAN DO WORSE THAN PUT THEIR HANDS TO WORK DURING LEISURE HOURS. SHARING THE FULFILLMENT OF THAT EFFORT WITH A CHILD OR FRIEND MAKES IT EVEN MORE ENJOYABLE. AS ALWAYS, WE'D LIKE TO KNOW WHAT YOU THINK ABOUT THIS OR ANY OTHER ISSUE. SEND YOUR COMMENTS VIA EMAIL TO INFO@USFARMREPORT.COM, OR CALL TOLL FREE 1.800.792.4329.

FDA PRODUCE SAFETY : IN AN EFFORT TO STEM AN ALARMING TREND, THE FOOD AND DRUG ADMINISTRATION ISSUES NEW RULES FOR PREVENTING FOOD POISONING FRESH-CUT PRODUCE. RELEASED MONDAY, THE FDA IS URGING FOOD AND VEGETABLE PROCESSORS TO ADOPT RULES THAT ARE SIMILAR TO THOSE ALREADY IN PLACE FOR THE MEAT INDUSTRY. BUT THERE IS A BIG DIFFERENCE. RULES FOR PRODUCE ARE VOLUNTARY, WHILE THOSE FOR THE MEAT INDUSTRY ARE MANDATORY. THE NEW GUIDELINES COVER A VARIETY OF FRUITS AND VEGETABLES – INCLUDING SPINACH, TOMATOES AND LETTUCE...ALL OF WHICH HAVE BEEN TIED TO FOOD POISONING OUTBREAKS IN RECENT MONTHS.

BIRD FLU PLAN : AG SECRETARY MIKE JOHANNIS SIGNS A FRAMEWORK WITH THE UNITED NATIONS AIMED AT COORDINATING EFFORTS TO TRACK AND STAMP OUT AVIAN INFLUENZA AROUND THE GLOBE. UNDER THE PLAN, A CRISIS MANAGEMENT CENTER WAS FORMED AND WILL BE BASED IN ROME . WORKING FROM THIS CENTRAL LOCATION, SPECIALISTS FROM AROUND THE GLOBE WILL PROVIDE DISEASE ANALYSIS AND DEPLOY RESOURCES AS NEEDED IN THE EVENT OF AN OUTBREAK.

BSE – US/CANADA : EFFORTS TO MINIMIZE THE RISK OF BSE ARE PAYING OFF FOR BOTH THE US AND CANADA . THIS WEEK THE WORLD ORGANIZATION FOR ANIMAL HEALTH SAID IT IS MOVING CLOSER TO GRANTING BOTH COUNTRIES WHAT THEY CALL 'CONTROLLED RISK' STATUS RELATIVE TO MAD COW. THE OES'S SCIENTIFIC COMMISSION ENDORSED THE MOVE LATE LAST WEEK. WHILE THE FINAL DETERMINATION ISN'T EXPECTED UNTIL MAY, THE US IS EXPECTED TO USE THIS UPDATE TO PRESSURE COUNTRIES – SPECIFICALLY SOUTH KOREA – TO FULLY OPEN THEIR MARKET TO US BEEF.

SPIRIT OF THE HEARTLAND – CA HARRIS RANCH : 'SPIRIT OF THE HEARTLAND' THIS WEEK HEADS WEST FOR THE STORY OF A CALIFORNIA RANCHER WHO IS CREATING QUITE A LEGACY. IN THIS REPORT FROM CALIFORNIA COUNTRY TV, JIM NORRIS PAYS A VISIT TO THE FAMOUS HARRIS RANCH. FOR MORE INFORMATION, HEAD TO WWW.HARRISRANCH.COM. FOR INFORMATION ABOUT THE CATTLEMEN'S RESTAURANT, HEAD TO WWW.BESTSTEAKINTHEWEST.COM.

SLEEP STUDY : WHILE HARDLY A SHOCKER, RESEARCH SHOWS MANY STAY-AT-HOME MOTHERS ARE NOT GETTING THE SLEEP THEY NEED. THE 2007 'SLEEP IN AMERICA ' POLL FROM THE NATIONAL SLEEP FOUNDATION SHOWS MORE THAN HALF OF ALL AMERICAN WOMEN SAY THEY ONLY GET A GOOD NIGHT'S SLEEP A FEW TIMES A WEEK. BUT EVEN MORE SIGNIFICANT, 74% OF STAY-AT-HOME MOMS REPORT EXPERIENCING REGULAR BOUTS OF INSOMNIA. THE FOUNDATION HAS SOME TIPS FOR BETTER SLEEP. FIRST, WORK TO ESTABLISH A REGULAR BEDTIME ROUTINE – MAKE SURE YOUR BEDROOM IS DARK, COOL AND QUIET. SECOND, EXERCISE REGULARLY, BUT BE SURE TO FINISH YOUR WORKOUT AT LEAST THREE HOURS BEFORE BEDTIME. THIRD, AVOID COFFEE, ALCOHOL AND CIGARETTES – ALL KNOWN TO DISRUPT SLEEP. FOURTH, IF YOU HAVE A NEW INFANT AT HOME, DON'T BE AFRAID TO ASK FOR HELP AT LEAST UNTIL THE CHILD IS SLEEPING THRU THE NIGHT. FOR MORE INFO, HEAD ONLINE TO WWW.SLEEPFOUNDATION.ORG.

MO – FOLIC ACID : A RECENT STUDY BY THE US CENTERS FOR DISEASE CONTROL AND PREVENTION REVEALED AN IMPORTANT AND DISTURBING TREND – FOLATE LEVELS IN YOUNG WOMEN ARE FALLING. THE CONCERN – IT COULD LEAD TO AN INCREASING NUMBER OF BIRTH DEFECTS. IN THIS REPORT FROM THE UNIVERSITY OF MISSOURI , KENT FADDIS TELLS US WHY NUTRITIONISTS ARE URGING MOTHERS-TO-BE TO TAKE THEIR VITAMINS.

TRACTOR TALES : WE HEAD BACK TO THE SUNSHINE STATE THIS WEEK FOR TRACTOR TALES – FEATURING AN OLD HART PARR MACHINE BUILT BACK IN THE 1920s.

COUNTRY CHURCH SALUTE : OUR COUNTRY CHURCH SALUTE THIS WEEK SPOTLIGHTS HOLY CROSS LUTHERAN CHURCH IN STEPHENSON MICHIGAN , IN THE UPPER PENINSULA . WE THANK DAN SCHLENOGT FOR SENDING US THE STORY OF HIS CHURCH. AS ALWAYS, WE'D LIKE TO LEARN MORE ABOUT YOUR HOME CHURCH AS WELL SALUTES CAN BE SENT TO PO BOX 1062, SOUTH BEND, IN, 46624-0062, OR EMAIL US: INFO@USFARMREPORT.COM.

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U.S. FARM REPORT

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Weekend of March 24, 2007

INFORMA UPDATE : ONE OF THE MOST INFLUENTIAL PRIVATE CROP WATCHERS IS CONFIRMING WHAT MOST ALREADY SUSPECT – THE US CORN ACREAGE IS GOING TO BE HUGE THIS YEAR. INFORMA ECONOMICS NOW PEGS CORN PLANTINGS AT JUST UNDER 88M ACRES – UP 9 ½ MILLION FROM A YEAR AGO. FOR SOYBEANS, INFORMA SET ITS PLANTINGS FIGURE AT 70.4M – DOWN MORE THAN 5M FROM 2006. THESE NUMBERS ARE SIMILAR TO WHAT THE USDA PREDICTED EARLIER THIS MONTH DURING ITS ANNUAL OUTLOOK CONFERENCE. THE DEPARTMENT WILL RELEASE AN UPDATED FORECAST THE 30 TH OF THIS MONTH.

LAND PRICES : THE VALUE OF PRIME AMERICAN FARMLAND CONTINUES TO CLIMB HIGHER. ACCORDING TO THE LATEST REPORT BY THE ILLINOIS SOCIETY OF PROFESSIONAL FARM MANAGERS AND RURAL APPRAISERS, ILLINOIS FARMLAND ROSE 5% STATEWIDE DURING 2006, EXCEEDING \$5THOUSAND AN ACRE IN MANY AREAS. SURVEY PARTICIPANTS BELIEVE THE UPTICK WILL CONTINUE IN 2007, WHICH WOULD BE THE 21 ST STRAIGHT YEAR OF EXPANDING FARM VALUES IN THE LAND OF LINCOLN .

ETHANOL INCENTIVES : THE MOST RECENT ISSUE OF BUSINESS WEEK REPORTS REPRESENTATIVES OF US CATTLE, PORK, DAIRY AND POULTRY PRODUCERS WILL TRY TO CONVINCE CONGRESS TO ALLOW CURRENT ETHANOL TAX CREDITS AND TARIFFS TO EXPIRE ON SCHEDULE. CRITICS SAY THE CREDITS PUT LIVESTOCK PRODUCERS AT A DISADVANTAGE WHEN BIDDING AGAINST ETHANOL PLANTS FOR CORN. WHILE ACKNOWLEDGING THE PROBLEM, HOUSING AG COMMITTEE CHAIRMAN COLLIN PETERSON SAYS IT'S UNLIKELY CONGRESS WOULD AGREE TO END THE SUPPORTS. IN FACT, PETERSON BELIEVES BOTH SHOULD BE EXTENDED, OR EVEN MADE PERMANENT.

FEDERAL MILK PLAN : PETERSON IS ALSO REPORTEDLY LOOKING AT THE POSSIBILITY OF COMBINING ALL TEN FEDERAL MILK MARKETING ORDERS AND CALIFORNIA INTO ONE NATIONAL PROGRAM. HE SAYS THE GOAL WOULD BE TO STREAMLINE THE SYSTEM AND REDUCE REGIONAL TENSIONS WITHIN THE US DAIRY INDUSTRY. ACCORDING TO A DAIRY TODAY REPORT, CALIFORNIA HAS LONG BEEN OPPOSED TO JOINING THE FEDERAL SYSTEM BECAUSE OF THE VALUE OF ITS FLUID MILK QUOTAS AND ITS ABILITY TO MAKE CHANGES AS NEEDED. PETERSON SAYS WHILE IT MAY NOT HAPPEN TIME TO BE PART OF THE NEW FARM BILL, HE BELIEVES NATIONAL CONSOLIDATION IS INEVITABLE.

ROUND-TABLE : AGRI-BUSINESS DIRECTOR AL PELL SITS DOWN WITH SUE MARTIN OF AG & INVESTMENT SERVICES AND MIKE FLOREZ OF FLOREZ TRADING.

JOHN'S WORLD : I'D LIKE TO TAKE A MOMENT AND TALK TO ALL THE WORRYWARTS OUT THERE. YES – YOU KNOW WHO YOU ARE. IF YOU'VE BEEN FOLLOWING THE CROP COMMENTS SECTION ON AGWEB.COM, YOU MAY HAVE NOTICED MORE THAN A FEW DIRE WARNINGS. SOME OF US JUST CAN'T SEEM TO ENJOY HIGH PRICES WITHOUT SUSPECTING IT'S A TRICK. FIRST OFF, THAT'S FINE BY ME. WE'RE ALL PEERING INTO THE CRYSTAL BALL AS HARD AS WE CAN. BUT IF YOU FIND YOUR ANXIETY LEVEL IS MORE UNCOMFORTABLE THAN YOU LIKE, DO SOME SIMPLE MATH. MANY OF THE FEARED PREDICTIONS ARE DAISY CHAINS OF SEPARATE EVENTS: IF WE PLANT 88M ACRES AND WE GET GOOD WEATHER AND EXPORTS DIE OFF...FOR EXAMPLE. TRY THIS: ASSIGN A PROBABILITY TO EACH EVENT, LIKE 50%. THEN MULTIPLY THE SEPARATE PROBABILITIES TOGETHER. WITH 3 50-50 EVENTS, THE CHANCE IS ABOUT 13% OR 1 IN 8. HOW SCARY IS THAT? PART OF THE PROBLEM IS ADJUSTING TO THE ESSENTIALLY RIGGED ETHANOL DEMAND – THERE IS NO PREVIOUS EXPERIENCE WITH THIS TYPE OF ECONOMIC CONSTRAINT. IT IS EASY TO IMAGINE DRASTIC SCENARIOS, AND YOU CAN LOOK REALLY CLEVER IF ONE OF YOUR DOOMSAYINGS COMES TRUE, BUT THE SAD PART IS, YOU NOT ONLY WON'T BE HAPPY THEN, YOU WON'T EVEN BE ABLE TO ENJOY THE GOOD TIMES NOW. WHERE'S THE FUN IN THAT?

AS ALWAYS, WE'D LIKE TO KNOW WHAT YOU THINK ABOUT THIS OR ANY OTHER ISSUE. SEND YOUR COMMENTS VIA EMAIL TO INFO@USFARMREPORT.COM, OR CALL TOLL FREE 1.800.792.4329.

ETHANOL - PURDUE : AG SECRETARY MIKE JOHANN'S HEADS TO THE HOOSIER STATE TO PROMOTE THE GROWTH AND DEVELOPMENT OF RENEWABLE FUELS. DURING A ROUNDTABLE DISCUSSION AT PURDUE UNIVERSITY, THE SECRETARY OUTLINED HIS DEPARTMENT'S PROPOSAL TO DRAMATICALLY EXPAND THE COMMITMENT TO RENEWABLE FUELS IN THE NEW FARM BILL. IN ALL, THE PLAN INCLUDES FUNDING OF MORE THAN A BILLION AND A HALF DOLLARS TO SUPPORT A VARIETY OF INITIATIVES...EVERYTHING FROM CELLULOSIC PROJECTS TO BIO-BASED PRODUCT RESEARCH. ALSO DURING HIS TRIP TO INDIANA, SECRETARY JOHANN'S MADE A STOP IN THE SMALL TOWN OF REYNOLDS TO LEARN MORE ABOUT A PROJECT CALLED 'BIO-TOWN'. LAUNCHED BACK IN SEPTEMBER OF 2005, THE GOAL IS TO DEVELOP A WORKING COMMUNITY THAT IS ENTIRELY ENERGY SELF-SUFFICIENT.

FARM BILL TIMING : THE CREATION OF A NEW FARM BILL IS, TO SAY THE LEAST, A COMPLICATED PROCESS INVOLVING LOTS OF PLAYERS. HOW WILL IT PLAY OUT IN THE MONTHS AHEAD, AND WHEN COULD IT ALL WRAP UP? ROGER BERNARD JOINS US FROM CAPITOL HILL WITH PERSPECTIVE FROM THE TOP.

LESS TILLING : A NEW REPORT SHOWS NO-TILL IS THE PRODUCTION PRACTICE OF CHOICE IN A GROWING NUMBER OF AMERICAN FARM FIELDS. ACCORDING TO A SURVEY DONE BY THE CONSERVATION TECHNOLOGY INFORMATION CENTER, CONSERVATION TILLAGE IS NOW UTILIZED ON MORE THAN 61M ACRES, OR 22% OF TOTAL CROPLAND IN THE US. CTIC SAYS RISING FUEL COSTS AND MORE EMPHASIS ON LAND STEWARDSHIP IS DRIVING MORE GROWERS TO GIVE NO-TILL A TRY. STATES SEEING INCREASES INCLUDE ILLINOIS, INDIANA, IOWA, MISSOURI AND NEBRASKA.

SPIRIT OF THE HEARTLAND - OZARK MOUNTAIN DAREDEVILS : BELIEVE IT OR NOT, THEY BRIEFLY TOYED WITH THE IDEA OF CALLING THEMSELVES 'THE COSMIC CORN-COBS', BUT A RECORD PRODUCER INSISTED THEY STICK WITH 'THE DAREDEVILS'. 35 YEARS LATER, AMERICA'S ORIGINAL COUNTRY ROCKERS ARE PLANNING THEIR NEXT BIG GIG. AS STEVE GRANT SHOWS US, THE LEGACY AND LATEST MUSICAL CHAPTER OF THE OZARK MOUNTAIN DAREDEVILS WILL ROCK ON IN MAY IN THE HEART OF SPRINGFIELD MISSOURI.

WELDING UNIVERSITY : EARLIER THIS WINTER, FARM JOURNAL TEAMED UP WITH MILLER ELECTRIC MANUFACTURING TO SPONSOR 'THE WELDING UNIVERSITY' - A CHANCE FOR FARMERS TO UPGRADE THEIR METAL-WORKING SKILLS AND EQUIPMENT. WHILE THE WINNERS WENT HOME WITH SOME VERY NIFTY PRIZES - A CHOICE BETWEEN A PLASMA CUTTER, MIG WELDER OR PORTABLE WELDER - THEY ALSO GOT TO TOUR THE MILLER FACTORY AND LEARN FROM THE PROS AT MILLER. LUCKY ME - I GOT TO GO ALONG FOR THE RIDE.

TRACTOR TALES : TRACTOR TALES THIS WEEK FEATURES AN OLD CASE MACHINE THAT LOOKS MORE ORANGE THAN RED. TAKE A LOOK AND DECIDE FOR YOURSELF.

COUNTRY CHURCH SALUTE : OUR COUNTRY CHURCH SALUTE THIS WEEK SPOTLIGHTS THE ZEIGLER MEMORIAL LUTHERAN CHURCH OF NEW ERA LOCATED IN MUSCATINE IOWA. WE THANK NANCY HENKE FOR SHARING HER CHURCH WITH US. AS ALWAYS, WE'D LIKE TO LEARN MORE ABOUT YOUR HOME CHURCH AS WELL. SALUTES CAN BE SENT TO PO BOX 1062, SOUTH BEND, IN, 46624-0062, OR EMAIL US: INFO@USFARMREPORT.COM.

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